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HONGKONG AND CHINA

The question of Hongkong's role in the increasingly pressing matter of instituting economic measures against the communist regime at Peking has been ventilated in many world capitals and the issue of doing business with the Chinese communists who are engaged in an undeclared war against the UN in Korea and who have been branded by the UN as aggressors can no longer be evaded. The local Government has imposed restrictions on trade with Red China and a large number of commodities have been export embargoed for shipment to that country or to any other Soviet satellite. American public opinion has been aroused, and so has also a large sector of British public opinion, about the alleged trading of Hongkong with the communists across the border, and many accusations have been levelled against the local trading interests and against the authorities. No useful purpose would be served, at this juncture, to delve into happenings of the recent past; suffice to say that while the authorities were always anxious to see the regular flow of commerce with China continuing without any undue interruptions, they also opposed any trading in strategic and so-called war-essential supplies, and suitable legislation had been introduced to give effect to this policy. That many strategic commodities did however enter communist China, having been imported here from various countries including the US, is a matter to be deplored, particularly so in the case of rubber—but meanwhile the situation has been put aright and the economic blockade of communist countries is steadily tightened up. The democratic countries being in mortal danger of conquest by communist aggression cannot be expected to continue doing business with the apparently implacable enemy, especially so if 'doing business' amounts to supplying that enemy with essential supplies for his war industry.

The peculiar position of Hongkong must however be considered when calling on the community here to join the ranks of the anti-communist camp. That the vast majority of the people here are opposed to communism is clear to any resident of even a comparatively short stay in this place. But at the same time a clammy feeling of uncertainty lingers, the fear of communist aggression, the staging of a war of nerves against the colony, perhaps engineered incidents to create some unrest, a food blockade by the communist authorities against Hongkong etc. The population depends to a large extent on food supplies from across the border and for this reason alone Hongkong must tread carefully when dealing with the Peking regime. The economic health of the colony is also dependent on the continued commercial links with China. Under these conditions, Hongkong should not be in the vanguard but be content with the modest role of carrying out instructions from London as regards the form of trade with Red China. Overall policy is made in London, and it is considered there as a matter of vital importance for the survival of the democratic world that unity with the US is maintained and further consolidated. Hongkong is not making any policy though its voice is not ignored in the imperial councils.

Events in China in recent weeks have shown that the communist regime cannot be regarded as strong; the unending massacres of political opponents and of others who are not favored by the new masters have resulted in world-wide repugnance and a growing sense of animosity among the Chinese people whose initial support of the Mao Tse-tung regime has been dissipated by the very acts of oppression and terrorism of the communists. The Korean war intervention has been a turning point in the fortunes of the Chinese Communist Party's dictatorship; no end is in sight and the people are called upon to bring more sacrifices. The propaganda of Peking is falling on deaf ears though the younger generation may be taken in by entirely impossible promises of the communists. What is being reiterated ad nauseam like the labor heroism, overfulfilment of work quotas, victories of production, ever higher output as 'reply to the imperialist aggression' etc. has aroused ridicule among the Chinese who refuse to lead a life of ants and bees, and who desire peace right now and here, and not in the distant future when the communist paradise has been achieved. But as popular discontent rises and the 'proletarian dictatorship' becomes upset, a nation-wide terror is unleashed which will in the end have the same effect as the guillotine-happy rule of Robespierre.

The foreign friends of China stay amazed and shocked at the horrible bloodshed which the communists in China are now organising. What sympathy there has been in the beginning when the communists ousted the discredited Nationalists, and what hopes one may have held then that China will emerge from the destructions of foreign and domestic wars, the events following the intervention of Peking's armies in Korea have dashed all such optimistic feelings, and the hard fact has emerged that communism, in East and West, cannot be appeased, cannot be expected to come to terms with its 'mortal enemies'—the free peoples of this world.

While nobody harbors any illusion about the hostility of the communist regime in China, there is still some reasonable hope for averting the spread of war in East Asia by compelling the communist masterminds to call off the aggression in north and south, and to revert to the old policy of subversion and local guerrilla fighting. The American stand has been made clear to everybody in this world and if there had been any doubts about the determination of the US to resist any further inroads of world communism the recent official speeches in the US and Senate interrogations, following the dismissal of MacArthur, have been refreshingly to the point. Russia knows where America stands and the Soviet also knows that the US are rearming at such an egregious degree that no communist aggression can ultimately succeed. The guarantee of the survival of the free world is the efficiency of the American arsenal of democracy, the unity among the Atlantic powers and their associates in East and West.

General Business Conditions in America

From the May-Letter on Economic Conditions of the National City Bank of New York.

The quieting of demand and the check to the price rise during the past two months have made a considerable impression on business sentiment, but it would be hard to show that they have had any substantial effects on production and employment or that they have altered the overall outlook to a major extent. Industrial activity holds at or close to the peak reached in March, when the Federal Reserve Board's production index set a new peacetime record at 223 (1935-39=100). Employment figures are correspondingly high. The manufacturing industries at the end of March had unfilled orders of $51.4 billion, according to Department of Commerce figures, compared with $21.8 billion a year ago.

With backlogs of this size, and armament orders to be placed at an accelerated rate, the industrial outlook obviously is strong. In his message to Congress April 26, asking for revision and extension of the Defense Production Act, President Truman said the Government has placed orders for equipment, facilities and supplies totalling over $26 billion since June 1950. He added that over $58 billion more in orders are to be placed before the end of June 1952. It will be many months before production of finished arms reaches heavy volume, but actual defense outlays are now at the rate of nearly $30 billion annually, and meanwhile plant construction, tooling up, and hiring and training of workers proceed.

These figures point up the fact that, while the consumers' goods boom has slowed down, the capital goods boom, derived from plant and equipment expenditures, heavy construction and defense orders, is unchecked. Fluctuations in business investment, comprising capital goods expenditures and inventories, are the most common causes of overall business fluctuations in a modern industrial society. It would be hard to predict the nature and extent of inventory changes in the months to come, but the current rate of investment in plant and equipment plainly has some time to run.

Consumers' Goods Overstocked

In some lines of consumers' goods the evidence is clear that markets are saturated, merchants are overstocked and overcommitted, and business has been borrowed from the future. The attitude of buyers both at retail and wholesale has changed. For a time people were thinking only of shortages and inflated demand. Now they have begun to think also of the immense productive power of this country, and of the letdown that according to experience often follows anticipatory buying and inventory buildup. Retailers are finding it necessary to put on promotions to stimulate sales. They are allowing commitments to decline, which reduces activity in wholesale markets.

Automobile sales show hesitation, and used car prices have been easy during April, a month in which seasonal influences should keep them strong. Building statistics suggest that residential construction has passed its peak, certainly after seasonal adjustment of the figures and perhaps in absolute terms; for housing starts in March were lower than in February or in March last year, and early figures on April residential contracts were below a year ago.

It is interesting to note that what seems to be feared now is not, in the main, a "conversion recession", meaning a drop caused by the shift of materials and labor from normal use to defense work. This necessary shift might leave pools of unemployed people and facilities not readily transferrable to arms production, and last fall the danger of a decline due to these frictions was much discussed. The current anxiety, however, is that demand, in an inevitable reaction from the boom, may fall short of production, and that the effect on the general situation may be intensified by a change from stocking up to liquidation, with possible accompanying losses.

Any upsurge of consumer and mercantile buying on the scale that the country has seen twice since last June must be expected to bring reaction to correct overstocking and overcommitments. The extent of the reaction, however, will necessarily be influenced by underlying conditions as to employment and buying power. While people have work at high wages they will not continuously abstain from buying, and corrective liquidation can be spread over time and proceed in an orderly way. This is the significance, for the general situation, of the assured activity in the heavy industries and of the accelerating defense expenditures to come. Merchants can look ahead as well as other people and their inventory policy will be influenced accordingly.

Manufacturers' inventories have aroused less concern than mercantile stocks, although they reached another new peak of $36.6 billion at the end of March. Against these inventories, manufacturers had unfilled orders approximately half as large again, as the figures given in the first paragraph of this Letter show. A year earlier inventories exceeded unfilled orders by approximately a third.

An Official Forecast

President Truman's message to Congress on April 26 includes what is in effect an official business forecast. He said that "tax, credit and price and wage control actions have taken hold". He noted that production has increased substantially, the buying wave has—at least for the time being—died down, and the upward rush of prices has been checked. He went on to say, "We are now having something of a breathing spell. But it will not last. This fall and winter the economy will be hit by the full impact of military production."

Doubtless the President and his economic advisers would not expect agreement with this analysis in every detail. Business men find, for example, more causes for the "breathing spell" than the message enumerates; and some will have reservations as to the time when the "full impact" of military production will be felt, because of the machine tool bottleneck which retards equipment of plants. In broad outline, however, the forecast accords with the probabilities as many others see them. As growing defense expenditures add to the pressure on materials, labor and productive facilities, the problem is not likely to be a deficit of purchasing power relative to civilian goods, but an excess.

The need now is to turn the breathing spell to advantage, and to prevent inflationary forces from obtaining a toehold again. The essence of the danger is that capital investment plus defense expenditures threaten to exceed the tax take plus the savings of the country—in short, that more will be undertaken than the country can produce. Influential steps, notably the Federal Reserve policy which during the past six weeks has tightened credit significantly, have been taken. On other fronts the defenses thus

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Hongkong has nothing to be afraid of; while it may have been regarded in world war II, when entirely different conditions prevailed especially in East Asia where Japan's sea and air power for a time dominated, as an 'expendable territory,' in any future war this colony will assume an importance which will make it imperative for Britain, the Commonwealth, the US and all allied powers to maintain this place against any odds. How serious the Imperial Government is about the defence of Hongkong has been shown to the world by not only dispatching large forces to the colony but also by preparing the territory with great thoroughness for any contingency. Any casual drive around the New Territories should convince fainthearted doubters of the excellent job the military have been doing here. With the population of this colony being fully behind the British authorities, no threats of the communist enemy should be taken too seriously. The public should, and indeed by its very acts has proved, not to feel any undue apprehension about the future of Hongkong. It may well be that in case of any communist adventure directed towards the south, a boomerang will be sprung on them which may herald the 're-liberation' of China.

Sentiments of peaceful living together, of cooperation and friendship can again be sounded if and when the war in Korea can be brought, by negotiation, to an end. The longer the conflict in the north lasts the slimmer are the chances for a return of normal conditions. As far as the Chinese people are concerned, they detest the action taken by the Peking regime in Korea, and they desire a long era of peace for their country's reconstruction with foreign aid, irrespective of the country of origin — but preferably from the so-called western countries which all Chinese, in spite of the ridiculous propaganda of the communists, still regard as the most advanced in industry, technology and political institutions.

WORLD COMMODITY SITUATION

Production and consumption of commodities was advancnig in 1950, when, in the latter half of the year, certain special circumstances, like stock-piling and increased Defence needs, brought about a state of disequilibrium once again in many instances.

In raw cotton production was slightly above consumption; but a situation of short supply is visualised for the coming year mainly owing to a shortfall in American production. Raw wool production increased. Consumption and stockpiling by America outpaced production to such an extent that the huge stocks of Dominion wool which were threatening the market as a dead weight ever since the beginning of the post-war period, have now become considerably reduced and the world may face some scarcity in regard to raw wool supplies next year. Rayon production is steadily developing; but this has not made serious inroads into the domains of the natural fibres.

Sugar production, both cane and beet, is steadily advancing and keeping pace with consumption. Stocks are stated to be short; but next year's increased production of about 2.5 million tons is expected to better the supply position. Coffee producion is slightly less, while tea is steady. In coca, while production has slightly improved; consumption is still estimated to exceed production. Tobacco production is lower. Oilseeds are steady.

Rubber production, both natural and synthetic has advanced. The keen demand for the former and its expanding production are indications that the competition of the latter is not being seriously felt, thanks to much increased over all demand.

Steel production has made a marked advance of 15 percent. Production is expected further to advance appreciably in the coming year. Nonferrous metals have all advanced at improved prices.

Short Supply in Cotton

In the 1949-50 season, world production as more or less equal to consumption, at round 30 million bales. For the current season, preliminary estimates place production at 27 million bales, consumption at 30 million bales and deficit on current supply position at about 3 million bales, as against balanced production in the last season. The statistical position at the end of the current season will be as follows:

(Million bales of 478 lbs. net except for running bales of U.S.A)

World cotton position (Estimates)	Seasons Aug. 1—July 31*		
	1948-49	1949-50	1950-51*
Stocks on hand Aug. 1	14 9	14.9	16.3
Production	28.8	30.9	27.0
Total supplies	43.7	45.8	43.3
Consumption .	28.8	29 5	29.5
Stocks on hand July 31 .. .	14.9	16.3	13.8

* Tentative forecast.

World stocks of cotton in the post-war period had never gone down below 14.9 million bales. For the first time in the period, it will be 1 million bales beow this figure at the end of the current season. It was only in the last two seasons that balance between current production and consumption was established; this is likely to be adversely tilted in the current season, leading to shortage and high prices.

Details of production by countries was as follows:

WORLD PRODUCTION OF COTTON

(1000 bales of 478 lbs., except for running bales of U.S.A.)

Producing countries (Estimates)	Seasons Aug. 1—July 31		
	1948-49	1949-50	1950-51
U S.A.	14,649	15,920	9,700
Central & South America			
Mexico ..	570	980	1,000
Brazil	1,500	1,360)	
Peru	310	275)	2,500)
Argentina .	420	590)	
Total incl oths:	2,884	3,321	3,700
Asia:			
Afghanistan ..	20	20	—
Burma	35	3)	—
China	2,120	1,700	2,200
India	1,900	2,200	2,700
Iran	92	95	—
Korea	80	130	—
Pakistan	810	1,020	1,150
Turkey	309	445	500
Total incl. oths. (incl. Australia)	5,434	5,757	6,810
Europe:			
Russia	2,600	2,700	3,000
Total incl. oths.	2,800	2,900	3,210
Africa:			
Sudan	257	275	300
Bel. Congo ...	218	220	—
Egypt	1,845	1,805	2,300
French Africa	135	145	—
East Africa ...	429	363	—
Total incl. oths.	3,028	2,999	3,600
Total World: incl. others	28,813	30,941	27,020

The overall world reduction of 4 million bales was primarily due to an anticipated reduction of 6 million bales in American production. Almost all other producing countries show increases. For instance, Central and South America shows an increase of 400,000 bales, Asia 1,000,000 bales, Europe 300,000 bales and Africa 600,000 bales. These increases, amounting to about 2 million bales in the aggregate, have been neutralised by the American reduction, with the consequence that we have a net reduction of 4 million bales.

World trade in raw cotton amounted to 12.3 million bales in the 1949-50 season, as against 10.8 million bales in the previous season. Of this, America (incl. Mexico) contributed 6.5 million bales, i.e., slightly above 50 percent. Of the remaining 50 percent Pakistan's share was 864,000 bales, India's 205,000 bales, Brazil 600,000 bales, Peru's 224,000 bales, Sudan's 280,000 bales, Belgium Congo's 210,000 bales, Egypt's 1,647,000 bales, and East Africa's 350,000 bales.

World consumption was steadily on the increase since the early post-war period and amounted to 29.3 million bales in the 1949-50 season, as compared with 28.4 million bales in 1948-49. But, inspite of this progressive increase, the pre-war (1938-39) level of 30.5 million bales has not yet been reached. Details of consumption by principal countries were as follows:

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far are less effective. Government economy and higher taxes are needed to balance the budget in fiscal 1952, and the taxes should discourage spending rather than saving and investment.

To restrain the capital expenditures which Federal and local governments, corporations and people wish to make, and keep them within the limits of the supply of materials and labor, the Government has a direct weapon, namely, the power to grant or deny scarce materials such as structural steel for specific projects. These powers should be used rigorously, for in no other way can restraint be exercised so simply and effectively. The responsibility for using them, resting in the National Production Authority, is in the best possible hands. Another area which needs, and is receiving, reexamination is the stockpiling program, which has been carried to the extreme of depriving allied countries of materials wanted for their own armament effort and the same time forcing up prices beyond reason.

Measures of this kind need to be supplemented by credit and fiscal policy. All restrictions are unwelcome to someone, but restraint in nondefense capital expenditures, particularly of the luxury or mere convenience type, should have the fullest possible support. The alternative is rigorous price and wage controls, with their inherent weaknesses and inequities, which put the economy in a straightjacket.

WORLD CONSUMPTION OF COTTON

(1000 bales of 478 lbs., except for running bales of U.S.A.)

Consuming countries (Estimates)	Seasons Aug. 1— July 31	
	1948-49	1949-50
North America:		
Canada	483	421
Mexico	310	280
U.S.A.	7,795	8,870
Total incl. others	8,542	9,633
Asia and Oceania:		
Australia	69	70
China	2,950	2,350
India	3,750	3,250
Iran	78	70
Japan	737	1,030
Korea	140	170
Pakistan	90	120
Turkey	195	200
Total incl. others	8,175	7,461
Europe:		
Austria	70	100
Belgium	361	410
Czechoslovakia	275	275
France	1,040	1,125
Germany	800	985
Greece	84	94
Hungary	140	140
Italy	945	950
Netherlands	246	275
Poland	151	163
Portugal	151	163
Roumania	90	100
Spain	420	300
Sweden	116	130
Switzerland	132	140
U.K.	2,020	2,092
Russia	2,200	2,300
Yugoslavia	100	120
Total incl. others	9,757	10,281
South America:		
Argentina	400	400
Brazil	875	850
Columbia	125	125
Total incl. others	1,605	1,578
Africa:		
Egypt	233	228
Total incl. others	335	335
World Total	28,414	29,288

Almost all individual countries increased their production. Speaking by regions, Europe is the greatest consumer of raw cotton, consuming nearly one-third of world production. Almost every country has a fair-sized textile industry of its own, which, in addition to meeting local needs, caters to foreign markets also. North America, of which the United States is by far the predominant consuming country, comes next, with a share which is slightly less than one-third. Asia, in spite of its teeming millions, follows third in the list with 7.4 million bales to its credit, which gives a proportion of one-fourth. The industry in Africa is yet in its infant stage, consuming less than half a million bales as against its total production of 3.6 million bales. Central and South America is appreciably better many of the growing countries have built up a fair sized textile industry of their own. Total consumption by these countries remained more or less steady at round 1.9 million bales in the two seasons; in the last season, their consumption was about 50 percent of their production.

Progressive Increase In Raw Wool

World wool production in the 1949-50 season is provisionally estimated at 3,938 million lbs. (greasy basis), as compared with a production of 3,782 million lbs. in the previous season. The production for the current season is provisionally estimated at 3,979 million lbs. Thus, there has been a progressive increase of production in the three seasons mentioned above. Of the totals, production of merino was 1,261 million lbs., 1,353 million lbs. and 1,367 million lbs, respectively, in the three seasons 1948-49, 1949-50 and 1950-51 and Crossbred 1,714 million lbs., 1,771 million lbs. and 1,781 lbs. To the total, the former constituted about 33-34 percent and the latter 45-46 percent. Again, of the total quantity produced Commonwealth's share represented 1,803 million lbs., 1,965 million lbs and 1,969 million lbs; respectively, and foreign countries' 1,979 million lbs; 1973 million lbs and 2,010 million lbs. The proportion between the two areas is more or less 50-50, with a very slight tilting of the scales in favour of the latter.

Details of production by countries were as under:

WOOL PRODUCTION

(Million lbs.....Greasy basis)

Producing Countries	1948-49	1949-50	1950-51
Commonwealth:			
1. Australia	1,031	1,165	1,190
2. New Zealand	367	390	372
3. South Africa	227	225	220
4. India	55	55	55
5. Pakistan	24	24	24
6. U.K.	79	88	90
Total incl. others	1,803	1,965	1,969
Foreign:			
7 U.S.A.	296	265	267
8. Argentina	460	475	480
9. Uruguay	155	155	155
10. Russia	270	290	310
Total incl. others	1,979	1,973	2,010
World Total	3,782	3,938	3,979
Varieties:			
Merino	1,261	1,353	1,367
Crossbred	1,714	1,771	1,781
Total incl. others	3,782	3,938	3,979

In Australia a further expansion is expected, following the sharp advance of 134 million lb. to 1,165 million lb. in 1949-50 a total which was not much below the record 1943-44 production of 1,169 million lb. In 1950-51 production is provisionally estimated at 1,190 million lb., but in recent years the provisional estimate has been revised substantially upwards later in the season. Wool production in New Zealand in 1949-50 is officially estimated at 390 million lb., which constitutes a record, But it is not anticipated that 1950-51 production will be maintained at this level and is provisionally estimated at 372 million lb.

In South Africa extensive second shearings resulted in the 1949-50 clip being larger than originally anticipated. The original estimate was low because of the drought. The new estimate at 225 million lb. is only a little smaller than in 1948-49. Some decline in production is expected in 1950-51 because of the loss of sheep through the drought and the heavy shearings of short wools late in the previous season. But lambing results have been good, and wool production is estimated at 220 million lbs.

Reliable estimates for Argentina are not obtainable, but a continuation of the recovery begun in 1949-50 can be expected in 1950-51 when production may be about 480 million lb. No significant change is expected in Uruguay.

A small increase in United States production is expected in 1950, the first increase since the downward trend began in 1943. Of the total production of 267 million lb., shorn wool will amount to 218 million lb. Wool production in the United Kingdom expanded sharply in 1949-50 to 88 million lbs., and a small increase to about 90 million lb. is anticipated in the current season, but this amount will still be much less than the pre-war production.

Largely as a result of the expansion in Australian production the proportion of merino in world output in 1949-50 increased from 33 to 34 percent., mainly at the expense of the crossbred proportion. No significant change is anticipated in 1950-51, unless Australian output should expand much further than the present estimate, and both the volume and the proportion of merino will be lower than before the war, but the volume and proportion of crossbred will be higher, and also the volume of carpet wool.

Higher Rayon Production

World rayon production, continuous filament and staple fibre, also advanced in 1950 as compared with the previous year. The increase was from 1,230,000 tons to an estimated total of 1,380,000 tons or by 12 percent. Last year, the advance was 6 percent in the former industry and 17 percent in the latter. Producing countries were as follows:—

WORLD RAYON PRODUCTION

(In '000 metric tons)

Producing countries	1949	1950
1 U.S.A.	450	551
2. U.K.	131	164
3. West Germany	128	158
4. Italy	86	86
5. France	74	79
6. Japan	57	97
7. Netherlands	30	30
8. Spain	19	22
Total of above	975	1,185
Of which	975	1,185
Continuous filament	337	472
Staple fibre	638	713
Total World (incl. oths.)	1,230	1,380

It is estimated that raw silk production has increased from 35 million lbs. in 1949 to 40 million lbs. in 1950.

In 1950, production of hemps is estimated at 1,900 million lbs. and Nylon and other miscellaneous synthetics at about 150 million lbs.

Advance in Sugar

World sugar production has also advanced. It amounted to 30.6 million tons (raw value) in the 1948-49 season and 31.3 million tons in 1949-50, the increase being 2 percent. Of the quantity produced beet sugar made a slight advance of about 500,000 tons and cane sugar of 200,000 tons. Although the carryover for the current season is stated to be extremely low, particularly in respect of cane sugar, production for the current season is estimated to be 2.5 million tons better than last season's. Export surplus of Cuban sugar during the current season is estimated at 5 million tons. Of this quantity, the U.S.A. is likely to absorb 2.4 million tons, leaving 2.6 million tons available for the non-U.S.A. markets of the world.

Details of production by countries are as follows:—

WORLD SUGAR PRODUCTION

(000 tons raw value)

Producing Countries	1948-49	1949-50	1950-51
Beet:			
1. W. Germany	1,283	1,160	—
2 Czechoslovakia	625	614	754
3. Poland	682	815	895
4. France	940	870	—
5. U.K.	615	505	—
6. Russia	1,950	2,050	2,100
7. U.S A.	1,173	1,435	1,725
Total incl. oths.	10,041	10,478	12,325
Cane:—			
1. Cuba	5,146	5,470	5,650
2. Mexico	698	730	—
3. Hawaii	850	875	—
4 Porto Rico	1,140	1,148	—
5. Philippines	645	625	—
6. Br. W. Indies	617	641	—
7 South Africa	544	500	—
8. Australia	944	950	—
9. Brazil	1,550	1,350	—
10. Argentina	557	540	—
11. (A) India and Pakistan: whites	1,250	1,200	—
(B)—do—gur	2,300	2,200	—
12. Formosa	620	610	—
13. Java	250	325	—
14. China	380	350	—
15. U S.A.	430	460	—
Total incl. oths.	20,633	20,774	21,700
World total beet and cane	30,674	31,252	34,025

Decline in Coffee

World production of coffee in the 1949-50 season amounted to 38 million bags (of 132 lbs.) as against 40.5 million bags in the previous season. There was thus a decline of 25 percent. A further decline is anticipated in the current season, estimated at 2 percent. After domestic consumption, exportable surplus amounted to 31.4 million bags in 1948-49 and 28.7 million bags in 1949-50 and is expected to amount to 28.4 million bags in the 1950-51 season.

Details of production and exportable surplus were as follows:

WORLD COFFEE PRODUCTION

(Million bags of 132 lbs.)

Producing Countries	1948-49		1949-50	
	Production	For Export	Production	For Export
1. Brazil	22.3	17.0	19.7	14.4
2. Columbia	6.1	5.6	6.1	5.6
3. El Salvador	1.3	1.2	1.1	1.0
4. Guatemala	1.1	0.9	1.0	0.3
5. Haiti	0.7	0.5	0.7	0.5
6 Mexico	1.1	0.7	1.0	0.6
7. Venezuela	0.8	0.6	0.8	0.6
8. Africa	3.8	3.5	4.1	3.8
9. Asia	1.0	0.3	1.0	0.3
	40.5	31.4	38.0	28.9

Tea Position

World tea production has been more or less steady. It amounted to 1,109 million lbs. in the 1949 season and is estimated to amount to 1,186 million lbe. in 1950. Details are as follows:—

WORLD TEA PRODUCTION

(Million lbs.)

Producing Countries	(Seasons) 1949	1950
India	582	595
Pakistan	46	54
Ceylon	229	297
Indonesia	49	70
East Africa	28	30
Japan (exports only)	9	52
Formosa	57	52
China (exports only)	39	38
Total	1,109	1,186

Production in India and Indonesia has expanded the increase being appreciable in the case of the latter which is now finding its way once again in the international markets. World demand for the 1950 season is estimated at 872 million lbs., leaving the rest for consumption in the producing countries. Of this quantity, the U.K. market has absorbed about 431 million lbs.—i.e. nearly 50 percent. The remaining quantity, i.e. 441 million lbs., has gone to the share of the rest, the chief absorbing countries being U.S.A. (90 million lbs.), Canada (43 millions lbs.), Australia (50 million lbs.) Africa (86 million lbs.) and Eire (27 million lbs.) The total quantity of black tea available for export during the season was 887 million lbs., thus leaving 15 million lbs. either for additional domestic consumption or carry forward to the next season.

Exports from India during the six months April-September of 1950 amounted to 155 million lbs., as against 185 million lbs. in the corresponding period of last year, distributed principally as follows: U.K. 100 million lbs. U.S.A. 15 million lbs., Arabia 3 million lbs., Iran 3 million lbs. and European Turkey 2 million lbs. During the first eight months of 1950, Ceylon exported 208 million lbs., to all destinations, as against 206 million lbs. in the previous year. During January-June 1950, Indonesia exported in the aggregate 26 million lbs., during the entire 1949 her exports amounted to 53 million lbs.

Cocoa Position

Cocoa production in the 1949-50 season is estimated at 748,000 tons, as against 737,500 tons in the previous season which represents a slight increase of 1 percent. World consumption for the season is placed at 757,000 tons. Thus, the current rate of consumption exceeds production by a small margin. Production details are as follows for 1950.

WORLD COCOA PRODUCTION:
1949-50 SEASON
(In 000 tons)

Producing countries	Oct. 1949-Sept. 1950
1 Gold coast	260
2. Nigeria	98
3. Ivory Coast	55
4. Cameroon	37
5. Other Africa	34
Total Africa	484
Brazil	160
Other Latin American countries	85
West Indies	12
Asia	7
Total others	264
Total World	748

Of the production, 55,000 are consumed by producing countries. The remaining exportable surplus, i.e. 693,000 tons. is absorbed by the rest of the world. The estimated consumption of important importing countries are U.S.A. and Canada 288,000 tons; U.K. 140,000 tons; France 65,000 tons; Holland 50,000 tons; West Germany 35,000 tons; Belgium 10,000 tons; Scandinavia 20,000 tons; Australia and New Zealand 14,000 tons; Russia 12,000 tons; and others 68.000 tons.

Tobacco Production

Tobocco production at 7,200 million lbs. in the 1949-50 season, was 200 million lbs. less than in the previous season. Details of production were as under:—

WORLD TOBACCO PRODUCTION
(Million lbs)

Producing countries	1948-49	1949-50
1. U.S.A.	1,981	1,970
2. Oth. North America	319	370
3. France	107	97
4 Greece	81	115
5. Italy	164	133
6. Turkey	163	269
7. Other Europe countries (excl. Russia)	349	360
8. China	1,593	1,200
9. India	725	800
10. Pakistan	175	175
11. Japan	216	176
12. Other Asia	498	451
13. Brazil	255	260
14. Other South American Countries	155	150
15. Rhodesia	84	105
16. Other Africa	136	140
Total incl. oth. countries	7,400	7,200

Of the above total, about 1,700 million lbs. is of the flue cured variety. Exports of unmanufactured leaf from Commonwealth countries have so far this season been markedly heavier than a year earlier, while shipments from foreign countries have been on a smaller scale. Thus the United States leaf exports at 191 million lbs. in January-July were 14 million lb. lighter than in the same period of last year, a slight increase in flue-cured shipments being insufficient to make good the reduction in exports of cigar leaf and certain other types, Germany, Benelux and the Philippines were the chief markets in this period, although shipments to the first-named have been much below last year's level. Canada's leaf exports, on the other hand totalling 17 million lb. in January-August, 1950, were over 50 percent greater than last year as a result of an expansion in shipments to the United Kingdom and the despatch of appreciable quantities to the Benelux market. Exports from Southern Rhodesia at 60 million lb. in the first half of 1950-51 were 11 million lb. greater than in the same period of last season, flue-cured shipments including 44 million lb. to the United Kingdom, 4.5 million lb. to Australia and 8.8 million lb. to foreign markets. Nyasaland's exports in the first nine months of this year reached 18 million lb., while Northern Rhodesia in the first eight months provided a further 4.5 million in both cases the increase as compared with last year was slight. The expansion in India's tobacco exports, however, continues steadily, shipments in the first four months of 1950-51 at 26 million lb. being already nearly 6 million lb. greater already nearly 6 million lb. greater than in the same period of last year. As regards Oriental leaf, exports from Turkey in the first half of this year were only 58 million lb., as compared with 103 million lb. last year; shipments from Greece at 39 million lb. in the first nine months were also 8.5 million lb. below last year's figures.

Imports into the United Kingdom during the first nine months of 1950 amounted to 167 million lb., practically the same as in the corresponding period of 1949; the proportion of total receipt from Commonwealth countries, however, rose from 45 to 59 percent., arrivals from the United States this year being as yet relatively small. As a result, United Kingdom stocks continued to decline until the end of August, when however, at 349 million lb. they were 28 million lb. more than on the same rate of 1949.

Unmanufactured tobacco imports into the United States during the first seven months of 1950 totalled 50 million lb. or a little less than in January-July 1949; Turkey and Greece provided 27 and 5 million lb. respectively of cigarette leaf, while Cuba and Indonesia together accounted for a further 9 million lb. of cigar leaf.

Rubber Position

Natural rubber production at 1,605,000 tons in 1950, was better than in 1949 by 117,000 tons, details being as under:

WORLD RUBBER PRODUCTION
(Natural)
(000 tons)

Producing Countries	1949	1950
1. Malaya	672	685
2. Indonesia	431	520
3. Ceylon	89	95
4. Indochina	43	45
5. British Borneo	04	02
6. Thailand	94	92
7. Liberia	28	30
8 Other countries	70	74
Total	1,488	1,605

There was a marked rise in the production of Indonesia and a small rise in Malayan production. Consumption of natural rubber was slightly better at 1,465,000 tons, while that of synthetic was better by 10,000 tons at 460,000 tons. Details of consumption are as under:—

WORLD RUBBER CONSUMPTION

(Natural and Synthetic)
(000 tons)

Consuming countries	Natural 1949	Natural 1950	Synthetic 1949	Synthetic 1950	Total 1949	Total 1950
1. U.S.A.	575	600	515	425	990	1,025
2. U.K	184	195	2	3	186	198
3. France	91	92	9	8	100	100
4. Netherlands	11	13	—	—	11	13
5 Belgium	12	91	—	—	12	11
6. Italy	29	37	1	3	30	40
7. Denmark	5	5	—	—	5	5
8. Australia	28	26	—	—	28	26
9. Canada	39	37	18	17	57	44
10. Others	464	449	5	4	469	453
Total	1,438	1,465	450	460	1,888	1,925

U.S.A. consumption of both natural and synthetic rubber has risen. Her consumption of the former is 40 per cent of total world consumption. As regards the latter she produces practically the entire quantity and consumes it, the next important producer-cum-consumer, viz Canada, coming far far, behind, with a consumption of 17,000 tons to her credit. Of the total world consumption of this variety, American amounts to 92 percent. Till now, it appears that the production of synthetic rubber has not affected the development of either production or consumption of natural rubber.

Oilseeds Position

Judging from the quantity of oils, vegetable oils and animal fats (including marine oils), estimated to have been exported in the 1949-50 season, it may be stated that the production of oilseeds was more or less steady during the season, at round 22 million short tons. Of this, vegetable oils amounted to about 13 million tons. Exports in both the 1948-49 and 1949-50 seasons amounted to about 5 million tons, of which vegetable oils averaged 3.5 million tons.

WORLD VEGETABLE OILS EXPORTS

('000 short tons)

Oils	1948-49	1949-50
1. Cotton seed	117	120
2 Peanut	542	500
3. Soyabean	288	250
4. Sunflower	50	100
5. Olive	45	100
6. Seasame	44	30
7. Coconut	1,040	1,000
8. Palm Kernel	415	450
9. Palm oil	507	550
10 Linseed	287	290
11. Castor	77	75
12. Rape	17	15
13. Tung	54	50
Total: incl. others	3,500	3,600

Steel Increase

Steel production made a marked improvement of 15 percent. It amounted to 155 million tons in 1950 as against 135 million tons in the previous year. The U.S.A. accounts for more than one-half of world production. The following details give production in individual countries.

WORLD STEEL PRODUCTION

(Million tons)

Producing Countries	1949	1950
1. U.S.A.	71	86
2. U.K.	16	16
3. Western Germany	9	11
4. France	9	8
5. Japan	3	4
6. Belgium	4	3
Total incl. others	135	155

Non-Ferrous Metals

There was improvement in the production if non-ferrous metals also. Copper improved from 2.1 million tons to 2.2 million tons, lead from 1.5 million tons to 1.6 million tons, zinc from 1.7 million tons to 1.8 million tons and tin from 164,000 tons to 166,000 tons.

Following are details:

WORLD NON-FERROUS METALS PRODUCTION

(000 tons)

Producing Countries	1949	1950
a Copper:—		
1. U.S.A.	701	829
2. Chile	352	324
3. North Rhodesia	246	292
4. Belgium	133	130
5. West Germany	103	128
6. Japan	74	78
7. Mexico	57	62
Total incl. others	2,112	2,232
b Lead:—		
1. U.S.A.	492	500
2. Mexico	221	240
3. Australia	187	212
4 Canada	132	114
5. West Germany	97	113
6. France	54	59
Total incl. others	1,476	1,560
c Zinc:—		
1. U.S A.	790	716
2. Mexico	179	229
3. Canada	187	188
4. Belgium	176	168
5. Australia	84	88
6. England	65	72
7 Japan	32	46
Total: incl. others	1,680	1,788
d. Tin:—		
1. Malaya	56	59
2. Indonesia	30	32
3 Bolivia	34	26
Total incl. others	164	166

Prospects for increased production of commodities at higher prices are bright. They are American Stockpiling programme, increased Defence needs of America and Western Europe, generally, increased tempo of industrial activities and a relatively higher standard of life in many parts of the world. After the outbreak of the Korean war, commodity prices began to appreciate rather steeply in all international markets and conditions of scarcity developed in regard to a number of essential commodities. In the beginning of the year, an equilibrium was being established between supply and demand in many instances. But, as the year advanced owing to the operation of the special factors mentioned above, disequilibrium was again seen in a large number of cases. As the year closed, proposals for international allocation of scarce and vital raw materials was under active consideration in the leading countries of the world. Thus, world economy, which was steadily developing towards a state of post-war normalcy is again disturbed by the problem of commodity disequilibrium, the consequences of which will be felt in the coming months in accordance with the nature of intensity of the special operating forces.

The Problems before Japan

by **Yen Hsi-shan**

(former Prime Minister of China, Marshal of the Chinese Nationalist Army)

China's policy vis-a-vis Japan after the surrender of the armed forces of Japan to the US and its allies in the Pacific was ambiguous; to obtain as big and punishing a war indemnity was the Nanking govt's desire, at the same time using friendly words so as to create the impression abroad that China no longer harboured any feelings of enmity. With the growing threat of the communist flood, the Nanking policy changed as it was realised that any weakening of Japan—one of the principal aims of the immediate postwar policy of Nanking—would ultimately play into the hands of the Russians and their Chinese stooges. Simultaneously, the US Govt was gradually tending to conclude a peace with Japan on the basis of establishing a firm foundation for friendship and cooperation between the erstwhile victor and vanquished. The objections of other nations who took part in the war against Japan, such as China, Britain, Australia, the Philippines etc., were not heeded by the US, and by proceedng with the program of assisting and befriending the Japanese, the US was successful in winning the Japanese over to their side, and to their way of life.

When the Kuomintang regime was eventually compelled to seek refuge on Taiwan and for its future was becoming ever more dependent on America, the foreign policy of the government under President Chiang Kai-shek could not but fall in line with Washington's policies in the Pacific and Far East, and indeed the interests of the Nationalists were best served by advocating the resurrection of Japan. It is therefore not surprising to hear now frequently that Chinese politicos other than communists express themselves in favor of Japanese rearmament. The following article by one of China's leading military figures, Marshal Yen, deserves to be studied in the light of the changed outlook in Asia, following the communist aggression in Korea and the subsequent intervention of Peking's Red Army in the battle against the United Nations. —(ED.)

Japan, from the material aspect ranking first among the eastern Asiatic nations, has a future which will greatly influence that of East Asia. During this period in which Japan is being occupied, the occupation itself and its direction is of vital importance to the security and well being not only of East Asia but of the entire world as well. The past two world wars were both caused by or outgrowths of "local incidents." Yet, the "incidents" have engulfed the entire world in war upon those two occasions. An "incident" has occurred again in East Asia. A third world war may be its ultimate result. What should Japan do?

Let us consider the Japanese constitution, the Japanese rearmament question and finally the outlook for Japan in the future.

For years there have been in existence in Japan certain forces which were and are largely instrumental in Japan's rapid rise as a world power. Two of these forces are the existence of an emperor and the religion of Shintoism. There is a third force which I shall call the "inner force of inferiority". The latter phenomenon has acted as a booster to the other two and its existence was vital in Japan's rapid progress up to and through the Second World War. Thus Japan has risen to the status of a world power through great efforts extending over 40 years. Its development along scientific lines has progressed at a speed almost equal to that of the western hemisphere. This, indeed, is to the credit of Japan. The people of East Asia, particularly the Chinese, have taken advantage of Japan's geographical proximity in benefiting from Japan's progressive experience.

In my opinion, the existence of this "inner force of inferiority" of which I speak (i.e., a sort of inferiority complex on a national scale), is not particularly detrimental to the nations of East Asia other than Japan, but rather to their advantage, for it makes for unity rather than disunity among those nations. As to the existence of Shintoism in Japan, it is advantageous in self-defense and even more advantageous if utilized to restrain the strong and bolster the weak elements of society. Wrong it is, however, and disadvantageous if Shintoism is utilized for the purpose of aggression. It is, of course, regretted that Japan had not put to good use Shintoism in the past. Had Japan refrained from doing this, there would not have resulted Japan's war of aggression against the world

Following the defeat of Japan in World War II, there was promulgated by that nation a constitution which includes a provision in which the nation dedicates itself to the renunciation of belligerency as a means for the settlement of international disputes. Article 9 of this document stipulates that "The Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes."

My point of view regarding this question is two-fold. On the surface, the provision of the total renunciation of armaments is a most ideal and sagacious measure. Japan's struggle against world power has yielded to a struggle against nature. So far as Japan's former armed manpower is concerned (around 200,000 standing forces) and the money that must support these forces, its transfer into the field of industrial and agricultural production is a matter for congratulation, of course.

Thus were it not for the fact that the present state of the world today is one in which the threat of communist aggression poses such a glaring threat to the peace of the entire world, Article 9 of the Japanese constitution would undoubtedly be a most ideal and suitable measure. Nevertheless, we must face the reality of the fact that Japan today is being directly menaced by the Soviet Union. It is common knowledge that Russia's invasion of Korea is a strategical preliminary preparation for an invasion of Japan. Under these circumstances, that part of the Japanese constitution which concerns itself with the renunciation of war and the use of armaments has suddenly become an obstacle in Japan's obvious desire to protect itself A nation's constitution is that which gives that nation an ordered existence. Yet, this existence can be threatened and neglected through over-emphasis or under-emphasis of those portions of the constitution concerned with national defense.

Internally, capitalism must be armed with force if it is to protect its markets. Hence, the inconsistency of capitalism with non-armament. Since Japan is still producing capitalistically, the institution of a non-armament constitution is self-contradictory. Under such contradictions there are but two roads along which the Japanese can now travel: one would be fatal, the other advantageous It would be fatal, for example, if Japan were to proceed to develop its production industrially on the one hand and to completely do away with the use of arms on the other hand.

Should Japan be rearmed or not? From an international point of view it would be wise to ensure that Japanese rearmament never reaches a point at which armed aggression becomes possible. On the other hand, to limit Japanese rearmament to such an extent that Japan would be left without means to protect herself from invasion without would be fatal not only to Japan but to many nations of the world facing a defense problem today. The responsibilities for the protection of the defense of Japan evolve upon the Japanese people themselves. They should not be denied the right of arming for defense.

The question as to whether Japan could be rearmed efficiently and reasonably is a complicated problem fraught with numerous inconsistencies

First, there is an inconsistency of opinions on this question. Among Japanese political thinkers, there are four contradictory theories of what should be done along these lines. The "dependents" are firmly in favor of the maintenance of the nonarmament constitution They do not wish to become embroiled in another war. They are also of the opinion that the United Nations should be held responsible for Japan's security. The "apprehensives" feel that the remarkable development of communist drives on the mainland of China, into Korea and other parts of the Far East merits the rearmament of Japan; yet they feel it is too late. The "coordinates" maintain that it is necessary for the Japanese to safeguard their country in coordination with the United States. They feel that Japan ought to provide bases for the United States and that Japan should fight arm

JAPAN'S ECONOMIC PROSPECTS

By **Robert A. Fearey***

In prewar years, with the resources of its empire to draw upon, Japan was able to maintain a volume of production and overseas trade sufficient to meet the needs of a population of about 70 million, to furnish large quantities of capital equipment for the development of the overseas territories, and to support a massive military program involving marked internal capital development. Its problem today and in the years to come is to achieve a volume of production and trade, without the assured raw materials and markets of its former empire, sufficient to meet the peaceful needs of a population of 81 million, growing at a rate of approximately 1.5 million a year. The immediate objective is the attainment of self-support at tolerable consumption levels. The longer range objective is the achievement of progressively higher living standards commensurate with the industry and capacity of the people.

In appraising the prospect of Japan's achieving these objectives, the probable rate and ceiling of population increase will first be examined, second, the possibilities of further developing Japanese indigenous resources to meet the growing population's needs will be analyzed; and finally, in order to appreciate the crucial factor—the achievement of an adequate volume of foreign trade, Japanese estimates of the minimum trade required for self-support in 1953 at reasonable living standards and Japan's chances of reaching or exceeding those levels will be considered.

Population Pressure

In the nearly ninety years since Japan's emergence from feudal isolation, the population has increased by nearly 52 million in a homeland of fixed, limited area only moderately favored in arable land, mineral and forest resources. Population trends, however, point to a marked further growth. The birth rate was 33.8 per 1,000 in 1948. The death rate, due to the extraordinarily successful efforts of SCAP's Public Health and Welfare Section, was 12, reduced from 17 during the immediate pre-war years. The difference indicates a natural growth in 1948 of 21.8 per 1,000, the highest rate ever attained in Japan and a numerical increase of almost 1,750,000. Even with the anticipated decline in the birth rate from abnormal post-war highs, the annual population increment is likely to remain above 1,500,000. A noted American population expert concluded after a recent trip to Japan that population cannot possibly stabilize below 100 million and will probably reach its peak at around 125 million.

Emigration is no answer to a population problem of this scale, where a million and a half would have to emigrate annually merely to keep the population stationary. Besides the costs of transfer and settlement involved, the political obstacles to large-scale emigration to Australia, Borneo, New Guinea, and other areas to which the home-loving Japanese might be willing to go appear as insurmountable as ever. There are large undeveloped areas in Manchuria and the Soviet Far East, but it is problematical whether the authorities in those areas will desire significant numbers of Japanese immigrants. It will be remembered, moreover, that all manner of inducements failed to attract any substantial number of Japanese to these areas during the thirties, reluctance to leave Japan being compounded by distaste for the cold climate. Argentina has extended a welcome to Japanese immigrants meeting rather strictly defined qualifications but the number which could be absorbed there and in certain other South American countries, where there are now about a half million persons of Japanese descent, would at most not exceed a half year's population growth. Even if a substantial number of Japanese should find homes abroad, they would only be replaced a short time later by natural increase in Japan as long as the period of rapid population growth continues.

At first glance birth control would appear an equally inadequate solution. Experience with the developmnt of birth control in the West points to the conclusion that. even if birth control information were spread rapidly in Japan and the appliances for its practice made freely available, it would be several decades or more before it would be practiced on a scale sufficiently broad to reduce substantially the absolute annual increase. On closer examination, however, certain factors in the Japanese situation indicate that Western precedents may not be entirely applicable.

When Western peoples were first learning about the possibilities of birth control at the beginning of the present century, their death rates were still fairly high. Declining birth rates were accompanied by declining death rates, leaving the rate of natural increase little changed. In Japan, however, the death rate has been reduced since the war to 12, only 1 or 2 points higher than in the United States, and is unlikely to fall much, if any, further. Any decline in the birth rate due to birth control can therefore be expected to produce an almost equal decline in the rate of

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in arm with the United States in the event of an invasion of the nation. The "leftists" support the all-out conclusion of a peace treaty with Japan and they object to provision of Japanese territory for the use of military bases for any nation. The last theory is tantamount to building a bridge between Japan and the Soviet Union, making Japan the victim of Russia and directly threatening the peace of the world

Second, the inconsistency of rearmament from a domestic point of view: To rearm Japan is to sustain capitalism, which would be contrary to the benefit of laborers. There are many who hold this view. These people together with numerous communists and their fellow-travelers are sufficient to deter the rearmament of Japan

Third, the inconsistency of rearmament from an international point of view: Inasmuch as Japan had previously invaded her Asiatic neighbors, many of the Asiatic nations are fearful that the rearming of Japan will recreate the conditions of Japanese aggression in the Far East. Nevertheless, under present circumstances this fear should be cast aside. The elimination of this fear on the part of Japan's neighbors will go a long way in permitting the Japanese to rearm for her own defense. The international belief that Japan, rearmed and producing capital industrial goods for export, is a potential aggressor should be eliminated. A balanced relationship among Japanese productive units, the elimination of the exploitation of labor and the resultant avoidance of an economic crisis will eliminate the danger of a political collapse and prevent in Japan the rise of forces of aggression This state of things should be sufficient to create confidence in the Japanese people on the part of the family of nations.

The rearmament of Japan, as I have pointed out, is a complicated problem. Notwithstanding the many conflicts therein, there is but a single way to resolve this vital problem: there must be set forth a fundamental national program using as its bases those factors which may be adapted to the tastes and aspirations of the entire Japanese people. The elimination of internal inconsistencies means the elimination of international inconsistencies.

Many Japanese feel that Japan's difficulties lie in the disequilibrium between population and food production. I do not think this is a difficult problem for Japan. Internally, the food problem can always be solved in part by the continuous attention to agricultural improvements. Externally, it can be solved in part through the exchange in international trade of foodstuffs for manufactured industrial products. Japan's most vital problems, it seems to me, are her marketing problems and her lack of purchasing power in a capitalistic system. Hence the outlook for Japan is not the problem of food but the problem of industrial production—that is, there must be changes in production relationships within the nation, production inconsistencies being cast aside. With increased production, the Japanese people will enjoy higher standards of living, resulting in a further stabilization of the nation as a whole. International goodwill is the real way ahead for Japan

As to what Japan should do, I am of the opinion that Japan, both its government and its people, should understand that the menace of communism is drawing dangerously close to the Japanese nation. A national affairs conference should be set up in Japan with a view to providing the Japanese people with an objective and realistic view of Japan in her relations with the rest of the world in every field of endeavor. The culture and inner force of the Japanese people, I think, will lead Japan on a road which will benefit not only Japan but the world as a whole.

natural increase. The increase in absolute numbers would still be large, of course, unless there were a precipitate decline in the birth rate, but this is not impossible. Japan is virtually unique in possessing during a period of a very high birth rate a well developed public health service with over 700 model health centers. The establishment of birth control clinics in these centers would permit the spread of birth control knowledge throughout Japan far more rapidly than occurred in any Western country. The role of Japanese midwives, who deliver about 85 percent of all Japanese births, is also important in this connection. Although inadequate as an accurate sampling, a small number of midwives questioned in 1949 not only favored birth control themselves but farm women and laborers' wives did not want the large number of births they are now having. If this feeling should be general, midwives could be a second important factor in the distribution of birth control information.

Entirely without encouragement from the occupation, which has maintained a complete hands-off policy in the matter, considerable popular interest in population questions has developed in Japan. The press, radio, and even motion pictures are beginning to dispense birth control information and to stress the economic consequences of too rapid population growth. The Yoshida government has expressed itself in favor of birth control as one important means of dealing with the population problem, and in June secured the revision of the Eugenics Protection Law to legalize abortion and birth control. Although the stated purpose of the revision is to improve the national health and only secondarily to limit population, official sanction, so important in Japan, for birth control is now clear.

Normal resistance to change, and the economic advantage of large families to individual parents in farming and handicraft occupations even in a manifestly overpopulated country, will be continuing deterrents to the widespread use of birth control. The improved status of women in post-war Japan, and ever-present possibilities of the discovery of revolutionary and inexpensive methods of birth control, are factors on the other side. It is possible, because of the special circumstances described above, that birth control will win wide acceptance in Japan and the birth rate decline during the coming decade at a rate surprising those whose thinking has been solely in terms of Western population experience. Even if the prospects for control of Japan's population growth are viewed most optimistically, however, it appears unlikely that the population will become stabilized at less than 100 million. In the meantime, unless productive employment can be found for its increasing millions, already acute population pressures will be magnified.

Development of Indigenous Resources

The requirement of Japan's expanding population can in some degree be met by a further development of indigenous food and raw material resources.

As to food, although rice culture has about reached its limit, additional upland areas now unused either for cultivation or pasture might be converted, at considerable expense, to farm production by reclamation or used to pasture mountain cattle and sheep. Also, additional fertilizer, supplemental irrigation, better disease, insect, and flood control methods, and improved seed selection would bring higher crop yields per acre. Estimates of the extent to which all these measures together, plus improved storage to reduce waste, might increase farm food supplies above present levels range from 2 or 3 percent up to 10 percent, the correct figure probably being closer to the former. A further, possibly more elastic, source of food expansion is in the ocean. With the removal of restrictions on the permitted fishing area, particularly to the north, Japan's fishing catch might be considerably expanded above present or prewar levels.

In the case of raw materials, intensive mining operations with modern machinery and techniques could probably restore Japan's mineral output at least for a time to peak wartime levels and possibly beyond. A considerable development of the nation's extensive water power resources is still possible, and reforestation over an extended period could gradually rebuild Japan's badly overcut forests. A further important field of development lies in the introduction of new techniques for the utilization of domestically available resources, and in the production of substitute materials. A process for the production of coking coal from domestic low grade bituminous with a reduced admixture of imported coal has been introduced under the occupation, and the development of higher quality synthetic fibers made primarily from domestic materials suggests the possibility of a large-scale substitution of such fibers for imported cotton. Plastics are another line which Japan could expand considerably on the basis of domestic resources. A planned program of scientific research and the application of modern production techniques should bring significant dividends in a more effective use of materials available within Japan.

Although Japan's agricultural and raw material resources have probably been more intensively exploited than those of any other nation, the availability of outside sources has rendered unnecessary the degree of development which loss of her empire and recent and prospective population growth now seem to demand. The effectiveness of this approach for the solution of Japan's basic economic problems should not be overestimated, however. Japan's agricultural and raw material production has been stretched to the point where even the maximum expansion still theoretically possible would make only a moderate contribution to the solution of the nation's population problems.

Development of Manufacturing and Foreign Trade

Japan's propulation problem can be met only by the same process of foreign trade expansion that enabled it to support its forty million population increase in the eighty years before the war. How great and how rapid an expansion will be required is of course difficult to determine. The Japanese Economic Stabilization Board, the agency of the Japanese Government responsible for long-range economic planning, has estimated that for Japan to achieve self-support in 1953 it must increase its merchandise imports to about 1.6 billion dollars (c.i.f. pricing) and its merchandise exports to about 1.5 billion (f.o.b. pricing), both figures being based on present-day prices.† This trade, the Board believes, should permit a standard of living roughly 90 per cent of that in 1930-34, a period during which living standards were somewhat below the average for the inter-war years. If the 1930-34 standard is used as the goal, the trade would probably need to be as great as in that period (about 1.8 billion each way at present-day prices) or slightly greater. With Japan's exports during calendar 1949 totaling approximately 500 million dollars and its imports about 900 million dollars, the ESB estimate would require a tripling of exports and doubling of imports between 1949 and 1953 to eradicate the 400 million dollar deficit in Japan's international payments during 1949, with Japan in the meantime almost regaining the 1930-34 standard of living.

Viewed solely in light of the difficulties presented by population increase, this computation would seem optimistic. How, one might wonder, is a population of about 85 million in 1953 to achieve living standards only 10 per cent lower than a population of about 65 million in 1930-34 with a volume of import and export trade appreciably smaller than in the earlier period?

The explanation is to be found in a number of factors. First, Japanese food production is now 9-10 per cent greater than in 1930-34, the principal increase being in wheat, oats, and sweet potatoes, and SCAP has estimated that by 1953 it will be 15-16 per cent greater. This increase, and expansion of the fishing catch, will go far toward feeding the population increment. Second, production of coal and other domestically available raw materials, while, as earlier stated, still below wartime peaks, is now well above 1930-34 levels and can be further expanded. Third, the considerable proportion of Japanese import and export trade in the early 'thirties which revolved around the long-term industrial development to Manchuria and other empire territories, which at the time of initial investment constituted a net drain on Japanese resources, can be omitted from computations of Japan's future minimum trade requirements. Fourth, Japanese production and trade will henceforth be utilized entirely to meet the people's living needs. The substantial proportion of Japanese economic activity which even as early as 1930-34 was diverted to military purposes will henceforth be devoted to peaceful purposes. Fifth, Japan in the earlier period imported machinery and other finished goods which it can now manufacture for itself, importing only the less costly raw materials.‡ Sixth, some reduction in import requirements over the 1930-34 levels could, as earlier pointed out, be achieved by a wider substitution of rayon and other synthetic fabric, produced from domestic and cheaply imported raw materials, for the preferred cotton fabrics. Production of rayon in Japan in the early 'thirties was negligible. Seventh, Japanese foreign trade at that time included a considerable empire transit or entrepot trade, as for example in the importation of Manchurian soybeans for export to Korea in exchange for rice. Finally, even though the Japanese are properly regarded as a frugal people, much waste, particularly of foodstuffs (as in the use of edible fish and soybean products for fertilizer) occurred in past years which could be partly avoided in future by improved storage and refrigeration.

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† Japan's average annual imports of 740 million dollars and exports of 690 million dollars in the years 1930-34 equal roughly 1,840 million dollars and 1,927 million dollars, respectively, at October 1948 prices.

The importance of these considerations is indicated by the fact that in 1949, with imports a half as large and exports less than a third as large as in 1930-34, approximately 400 million dollars in U.S. aid filling the gap, the Japanese with a 15 million greater population enjoyed quite tolerable standards of living. In addition to the factors just cited there is another which helps to explain this situation, namely the large reduction in trade requirements which a small reduction in per capita consumption of leading consumers' items permits. By a rough rule of thumb every 100 calorie increase in the Japanese diet at the present time requires the expenditure of approximately 100 million dollars in foreign exchange. A reduction of 250 calories from the 2,270 1930-34 average, leaving about the consumption level of 1949, thus permits a 250 million dollar saving. To take another example, with a population of 81 million and with raw cotton about 30 cents per pound, each pound by which per capital consumption of cotton fabrics falls short of the 1930-34 6.8 pounds per capita figure permits a foreign exchange saving, allowing for waste in manufacturing, of approximately 30 million dollars.

There is a further factor to be considered in estimating Japan's minimum trade requirements for the attainment of self-support at adequate standards of living. Japan's balance of payments statistics during the occupation have made no allowance for goods and services provided the occupation forces, though these have reached a considerable yearly total. Charges on the Japanese economy for services and materials provided the occupation forces during the 1949-50 Japanese fiscal year total 125 billion yen, or about 350 million dollars at the 360 to 1 conversion rate. The Japanese Government's estimate for 1950-51 is 108 billion yen, equivalent to about 300 million dollars. If the occupation forces were put on a pay-as-you-go basis, as is the case in Austria and as was the case during the occupation of Korea, with the occupation paying in dollars for these services and materials, a large additional source of foreign exchange income would be created—though probably considerably smaller, as costs were pared down, than the above figures might indicate. At first the difference would be merely a bookkeeping adjustment, pay-as-you-go dollars replacing aid dollars, but if the occupation were continued, or if U.S. forces were maintained in Japan after a treaty, the former would soon entirely replace the latter, emerging as a regular source of dollar income. Japan's foreign exchange resources would be further augmented, as they are now to the amount of about 4 million dollars a month, by the expenditures of U.S. troops and foreign businessmen for privately consumed Japanese goods and services.

With Japanese living standards already at tolerable levels (though well below those of 1930-34, particularly in the consumption of manufactured goods), and with a reasonable prospect that U.S. aid can be reduced from about 440 million dollars in U.S. fiscal year 1949-50 to under 300 million in 1950-51 while still permitting slight increases in consumption levels, the goal of self-support does not seem impossibly far off.

Even with all possible favorable circumstances taken into account however, Japan faces a tremendous task in expanding its foreign trade to levels permitting attainment and maintenance of a self-supporting status at adequate standards of living. By a process of steady growth through much effort Japan's exports rose from 103 million dollars in calendar year 1946 to about 500 million in 1949. Tripling of this latter figure and doubling of imports to meet the Economic Stabilization Board's 1953 goals, followed by a steady further growth commensurate with the population increase, will not be easily accomplished. Possibilities of Japan's succeeding in developng the requisite trading volume and foreign earning power will depend on its ability (1) to procure adequate supplies of food and raw materials from sources desiring its export products, generally the nations with which it conducted the greater part of its prewar trade; (2) to compete successfully with other trading nations in Far Eastern and world markets and (3) to expand its shipping, tourist and other invisible revenues.

Revival of Former Trade Ties:—As has been noted, unsettled conditions making for low productivity and purchasing power throughout Asia have forced a fundamental reorientation of Japan's foreign trade since the war. With former sources of iron ore, coking coal, beans, and salt in Manchuria and North China and of cereals, cotton, fats and oils, and petroleum in southeast and south Asia cut off or available in greatly reduced amounts, Japan had to import these and other products from the United States and other distant, high-cost sources. At the same time, the necessity for minimizing the dollar aid burden in Japan under conditions of currency inconvertibility has forced the sale of Japanese exports to the largest possible extent for dollars. As most of the countries of the world are endeavoring to conserve their limited dollar holdings, Japan's trade has been largely restricted to bilateral trading of such goods as each party has required, and found available of the other's, with the smallest possible dollar balance accruing to the disfavor of either nation.

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‡ Largely due to this factor, if Japanese foreign trade attains the levels planned by the ESB for 1953, somewhat below the 1930-34 levels, the level of manufacturing production may be as much as 40-50 per cent above the 1930-34 levels.

Expansion of Japanese trade on the order required for self-support will be impossible until Japan can shift its procurement of food and raw materials from the U.S. to south and northeast Asia, which formerly provided the greater part of these materials and accepted Japanese manufactured exports in return. Cereals and cotton have comprised the bulk of U.S. shipments to Japan and are likely to remain Japan's principal import requirements. Improved political and economic conditions in some south Asian countries, in combination with the dissolution on December 31, 1949, of the International Emergency Food Commission, which tended to favor other Far Eastern countries over Japan in the allocation of south Asian food supplies, offer the prospect of increased supplies of these key products for Japan in 1950 and succeeding years. It is true, Indochina's rice exports are at a very low level, and Burma's are significantly below prewar levels, due in both cases to continuing political disturbance, but Thailand's, though also below prewar levels, are now running at over a million tons annually, and Pakistan's wheat exports are attaining significant levels. While Japan is of course only one of several bidders for these supplies, total effective demand being far in excess of supplies, the dissolution of the IEFC and the increasing availability of Japanese exports in demand in South Asia should enable Japan to procure a larger share than in previous postwar years.

In regard to cotton, Japan has recently been able to purchase a portion of its requirements from Pakistan, the only significant exporter in south Asia, previously largely reserved for India. Vegetable oils and rubber are now in adequate supply in Indonesia and Malaya, and the situation in petroleum and tin is better than at any time since the war. Japan's trade with the southern regions in 1950 might total 75 per cent of the prewar volume.

It is doubtful, however, whether even if the full prewar volume is attained in the next few years it will long suffice. With the probable loss by Japan of Formosan rice and sugar and of the rice formerly obtained in Korea, with its expanded population, and with the uncertainties surrounding the trade with Manchuria and North China, Japan's trade with the southern regions will probably have to exceed prewar levels by a considerable amount if an adequate livelihood is to be attained. The basic obstacle to such an expansion will continue to be the problem of supply. Fortunately, however, cereal and cotton production within the region can be substantially increased by irrigation, reclamation and other projects. If these projects, for some of which plans are already in preparation and funds in a few instances being sought from the World Bank, can be carried out, production may be increased to a point where Japan will be able to develop the trade that it requires.

A natural assumption would be that nations dependent on foreign aid cannot afford foreign investment. Nevertheless in 1948 and 1949 the United Kingdom invested considerable sums in the development of backward areas in the British Commonwealth and Empire. With U.S. aid meeting their import deficit, and with their capacity to produce exports exceeding effective demand for those exports, the British used part of this "surplus" capacity to produce capital and consumers' goods for sale on a deferred payment or investment basis to non-dollar areas, believing that the nation's future economic welfare depended to an important degree on expansion of the production of food and raw materials which Britain must obtain in those areas.

Japan, too, possesses an exporting capacity considerably in excess of effective demand, though it is more restricted in its use than is the United Kingdom due to its lack of indigenous iron and coking coal. Thus far that part of this "surplus" capacity for which it has been possible to provide raw materials has been used exclusively for domestic rehabilitation. The factors which led the British to employ similar resources for development purposes abroad would seem equally valid in the case of Japan. Considering that most capital goods require little raw material in relation to the value of the finished product and that the principal obstacle to Japanese economic revival now and probably for many years to come will be limited food and raw material supplies abroad rather than productive deficiencies at home, it would seem that credits for selected projects to develop south Asian production of foodstuffs for export to Japan would be directly in line with the general object of Japanese recovery. Initially Japan might leave long-range projects unlikely to lead to an actual increase in production in less than perhaps five to ten years to the World Bank, the Export-Import Bank, and other sources, and confine itself to short-term projects of more immediate productivity. An example would be the provision of railroad rehabilitation equipment, financed, perhaps, from the Counterpart Fund, to Thailand, permitting shipment to the coast and thence to Japan of rice production now locked in the interior because of deficiencies in the transport system. Investments of this sort, followed at an early date by participation in longer range irrigation, reclamation and hydroelectric projects, could make a major contribution to the solution of the nation's crucial shortage of cereals and, perhaps, eventually, its cotton import problem.

Prospects of revival of trade with China (including Manchuria) on the prewar scale are less promising than with southern Asia. Nevertheless, while the full revival and development of Chinese industry will unquestionably be a slow process, restoration of the agricultural, and, to a considerable extent, the mineral production of North China, Manchuria, and Korea, which formed the basis of the prewar trade with Japan, should be much more quickly accomplished. Rehabilitation of transportation, mining and, to some extent, agricultural equipment will be necessary, but Japan is well suited to provide the rolling stock, mining machinery and other equipment required for this purpose and also low-cost but serviceable textiles and other consumers' goods sorely needed in these areas. As China's general reconstruction and development proceeds, a further demand for Japanese capital goods can be expected to develop. The bases of a large and mutually advantageous trade between Japan and northeast Asia remains and, if allowed reasonable freedom to develop, may build up fairly quickly.

Whether this freedom will be granted is another question. In spite of the Chinese Communists announced policy to reconstruct China and the need for Japanese capital goods to achieve this purpose, the possibility that political policy dictated either by the Soviets or the Chinese themselves may lead to restrictive trade measures in an effort to force Japan into the Communist sphere cannot be discounted. Although probably more important in the long run to Japan than to China in view of the latter's basic self-sufficiency at low levels of living, the value of the trade to both nations is so great and so nearly equal that such a policy is not likely to be lightly undertaken. This is particularly true as long as it appears in America's interest to keep Japan in its sphere of influence. Also, the Chinese Communists will have to show some positive economic gains before too long to build up popular support. If China should be willing to incur the economic loss, however, it could exert heavy pressure on Japan, whose prospects of self-support at adequate standards of living would be greatly worsened were trade with northeast Asia to be severely limited or cut off for an extended period of time. Present indications are that the trade will be permitted, but that if the balance of political forces in Japan or the state of Japan's relations with the West should ever appear to make a quick advantage possible, economic pressures for political gain might well be applied. Japan's trade with the Soviet Far East has never been important and, even with the transfer of all of Sakhalin to Soviet control, will probably remain relatively small.

The virtually unanimous sentiment in Japan on the question of trade with China was summed up by Premier Yoshida in a statement in January 1949 that Japan "will and must" trade with China. The assumption in Japan seems to be that the trade is as essential to China as it is to Japan, and that China is therefore unlikely to employ it as a weapon of political warfare. The only obstacle which the Japanese foresee is possible American opposition for security reasons. It is known that the United States and a number of European nations license trade to the USSR and its satellite countries in Europe to exclude or limit items of military value. It is also known that the United States applies similar controls in its trade with Communist China, prohibiting exports of specialized war materials and excluding or limiting such items as railroad equipment and petroleum, mainly to prevent transshipment to the USSR. Should the United States continue such controls for an indefinite period, the assumption in Japan is that it would not look with favor on Japan's shipping such materials, and that with its continuing dependence on American economic and military aid, Japan would be obliged to respect our wishes. There has thus far been no indication of intention or desire by the Japanese to apply security controls of their own accord in the trade with Communist China. The United States would of course be reluctant to suggest to Japan restrictions not generally observed by other nations trading with China or which made more difficult the attainment of self-support, and would recognize that restrictions which the United States might apply with little loss or sacrifice because of its relatively small trade with China might involve a major economic loss for Japan.

Although prospects of a steady expansion of Sino-Japanese trade appear good, growth of the trade to prewar levels or above cannot be expected for many years and may never be achieved. During the 'thirties empire controls permitted Japan to monopolize the trade with Manchuria, and in later years, in large degree, with north China. These areas are now under Chinese control once more, and a substantial proportion of the resources which used to enter into trade with Japan must be expected in future to be used for internal developmental purposes and in trade with the Soviet Far East and other areas. What Korea's and Formosa's principal trading contacts will be is still impossible to say, but it is certain that Japan will not be able to monopolize their trade again either. Japan has not only lost its own empire controls but in endeavoring to build its trade with the former empire territories on a voluntary, competitive basis must face the counter-controls and pulls of the new political forces dominating those territories. However, the basically complementary character of its trade with the former empire territories remains.

Although Japan's major trade ties have been in the Far East, about 40 per cent of the prewar trade was with the Western Hemisphere, Europe, Africa, and the Middle East. The critical importance of the Far Eastern trade should not be permitted to obscure the importance of the revival and expansion of trade with these other areas. The difficulty of the task is magnified immediately by an inevitable reduction in the trade with the United States, which in prewar years consisted primarily of an exchange of raw silk for materials required for the development of Japanese industrial and military capacity. Opportunities for a considerable expansion of non-Far Eastern trade outside the United States do exist, however, if the requisite competitive ability can be developed, and even in the United States a program of trade expansion to replace raw silk might bear good results. The inflexibility which limited availabilities, civil disturbance, and possible political restrictions inject into the Far Eastern trade picture is not found in the same degree in the world arena. The degree of success which Japan achieves in expanding trade outside the Far Eastern area may spell the difference between a "tolerable" standard of living in the years to come and the goal of progressively improving standards and a better life.

World Competitive Ability:—All signs point to a period of intensifying competition in international commerce. Due mainly to the high cost of raw materials imported from the United States, higher labor costs, occupation imposed floor prices (removed in the fall of 1949), and reduced efficiency of management and labor, Japanese exports since the war have in many instances lacked the competitive quality for which they were known and feared in former days. If Japan is to carve out for itself its required share of the world trading market, a strong competitive position based on fair trading practices must be attained.

The competitive disadvantage which Japan has suffered in many of its exports by having to obtain a substantial proportion of its raw materials in high-cost, distant areas will be overcome only as former sources of supply in the Far East are recovered. Although raw material availabilities in southern Asia are improving, and there is a reasonable prospect that Chinese coal, iron, and salt will become available in increased quantities in the fairly near future, no prediction can be made when this major disadvantage will be entirely overcome.

There is evidence that as a consequence of the labor reform Japanese labor costs have increased somewhat compared with prewar years. These higher labor costs are likely to make for higher units costs and prices for Japanese exports for the indefinite future unless a substantial improvement in the efficiency and productivity of labor can be achieved. The productivity of labor in manufacturing and mining toward the end of 1949 was about 60 per cent of prewar. Japanese labor even in prewar years was of low average productivity by Western standards, however, and considerable opportunity exists for improvement by better training, more efficient factory methods and use of additional, more up-to-date machinery. The extent to which these opportunities are utilized will depend in large part, of course, on the availability of domestic and foreign capital, which in turn will depend, among other factors, on the level of economic activity attained.

A further factor in considering the impact of the labor reform on Japan's competitive position is the possibility that the higher relative return to labor will be offset in considerable degree by a reduced return to capital and management. Some prewar Japanese industries were tremendously profitable, with instances of firms recovering their entire investment in three or four years. If competitive forces within Japan and in the export markets are strong, profits will be curtailed, with the possibility that export prices will be raised only part of the amount of the higher labor costs, if all.

That the labor reform and higher labor costs do not necessarily mean higher export prices is illustrated by a number of industries in Japan which have maintained or increased their foreign competitive ability since the war. In the case of cotton textiles, which is one such industry, the explanation lies partly in the large proportion of women still working at relatively low wages, but in a number of highly competitive capital goods industries where labor is fully organized and labor costs considerably higher than prewar the answer is largely to be found in the maintenance or improvement of former levels of efficiency and in lower unit profits. It is noteworthy also that with real wages only about 60 per cent of prewar, Japanese labor generally refrained from demanding higher wages during 1949, except in the public services where wages have been significantly lower than in private industry. While SCAP's discouragement of disruptive strikes during the stabilization and recovery effort has undoubtedly been a restraining influence, there is evidence that the moderate leadership now predominating in Japanese organized labor has not in advancing the interests of labour been unmindful of broader national interests dependent on the maximization of production and trade. To a considerable extent labor has shifted its demands from higher wages to improved government supported social security benefits, which will have a less direct impact on unit costs and prices.

The volume of exports attained will also depend on the resourcefulness, imagination, and aggressiveness displayed by Japanese industrialists and traders. These qualities, formerly possessed by Japanese businessmen in above average amounts, have been largely moribund in the hothouse economy which prevailed until the spring of 1949, and under the restrictions which foreign nations still enforce on the entry of Japanese businessmen. Since the adoption of the 1949-50 balanced budget and the setting of the single exchange rate, improvement has occurred, but the enterprise, initiative, and striving for lowest possible costs of former years have not, and probably will not, fully revive until the Japanese are once more entirely on their own.

A further and more complex factor affecting Japan's future competitive ability will be the effectiveness of the system of internal industrial organization finally adopted. The peculiar prewar monopoly-capitalistic system was reasonably efficient for the purpose of maximizing exports but depended on exploitation of the laboring and farming classes and on restrictive combinations permitting price fixing and dumping. This system has been broken up through the occupation's deconcentration, labor, and agrarian reform programs. Properly and efficently operated there can be little question but that the system of competitive, free private enterprise encouraged in its place would be more efficient than the prewar system, cooperativism, communism, or any other system, and that Japan's export prospects would be benefited by its continuation.

Whether the competitive system will be properly and efficiently operated and given a fair chance to prove its worth is not certain, however. The deconcentration program has thus far not struck a responsive chord in Japan, and in some degree it goes against the traditional tendency of the Japanese to operate on a basis of group responsibility through large organizations. The deconcentration, labor, and farm reform programs have gone so far in remaking the structure of Japanese society, however, and the benefited laboring and, to a lesser extent, farming classes now possess such an important degree of political power, that re-establishment of the prewar system without marked change seems impossible. A period of experimentation in an effort to arrive at a system adapted to Japanese national traits must be expected, the end of which cannot now be foreseen. While it may be hoped, in the interest both of Japanese democratization and the efficiency of Japanese industrial and trading operations, that a competitive system is adaptable to Japanese requirements, there can as yet be no definite assurance of this.

There are of cource other factors affecting Japan's capacity to compete successfully for an adequate export trade. Industrialization in India, China, and other countries, though necessarily a slow process, may cut into certain of Japan's major consumers' goods export markets. China, for example, which raises its own cotton and where labor is even cheaper than in Japan, may increasingly produce its own cotton textiles instead of buying them from Japan. On the other hand, industrialization will create increasing demands for capital goods—demands Japan will be able to help satisfy. Whether Japan's over-all export prospects will be benefited or handicapped by the limited degree of Far Eastern industrialization that can be foreseen in the immediate future will depend, first, on whether Japan can successfully carry through a partial shift of resources from consumers' goods to capital goods industries as industrialization proceeds, and, second, on the industrializing countries' trade policies. If these countries confine their development to lines in which they possess comparative advantages, Japan should derive important net benefits, because of the increased productivity, larger effective purchasing power, and expanded trade which industrialization would make possible throughout the Far Eastern area. Japan will suffer, on the other hand, if the industrializing countries in a search for economic self-sufficiency, extend their industrialization behind a barrier of tariff walls, import quotas and other restrictions into lines where they do not possess comparative advantages, reducing the possible level of Far Eastern trade. The adoption of restrictive trading policies by the countries with which Japan normally trades, whether motivated by a desire for self-sufficiency or by other factors, would make it impossible for Japan, a "workshop" island nation, to develop an adequate volume of foreign trade.

Invisible Income:—In prewar years (1932-36) receipts from shipping, insurance, foreign investments, the tourist trade, and miscellaneous sources averaged about 110 million dollars annually. This amount was sufficient to meet interest, dividend and other outpayments abroad of around 65 million dollars and to produce a net invisible revenue of about 45 million dollars a year, more than offsetting the deficit in commodity trade.

Of the receipts from invisible sources, shipping contributed about 40 million dollars annually during the period 1932-36. With the loss of Japan's foreign investments shipping receipts to offset the deficits in commodity trade have been rendered increasingly important. Although shipping earnings since the war have been reduced to very minor proportions, the Japanese hope to construct 150,000 gross tons of new shipping by July 1950 and 300,000 additional by July 1951, compared with a top production of 1.7 million gross tons in 1944. Under a balanced economic revival program according shipbuilding reasonable priorities to available resources it has been estimated that by 1954 Japan should be able to expand its merchant marine from the present level of 1.7 million gross tons to about 3.2 million gross tons. Of this total, which could be achieved on the basis of existing shipbuilding capacity, the portion of the fleet available, or capable of being made available, for overseas service would rise from about 400,000 tons as of the present time to about 1.8 million tons, or about 60 percent of the 3.2 million total. As construction proceeded shipping earnings could be expected to rise from 17 million dollars in U.S. fiscal year 1949—50 to perhaps 140 million dollars in 1954. This estimate is based on present shipping rates, which are several times higher than before the war.

If foreign forces are retained in Japan and are placed on a pay-as-you-go basis Japan will be provided with a further important source of invisible income. Insurance and tourist income, however, are likely to bring in only a small additional amount. Notwithstanding its scenic charms, recreation facilities, and comfortable foreign style hotels now familiar to thousands of occupation personnel, Japan's tourist possibilities continue to suffer from one basic handicap—remoteness from the United States. Europe, and other areas from which most tourists come. Travel by ship to Japan takes about seven days each way by the shortest (northern) route from the West Coast of North America and is beyond the means of many tourists. Travel by air, being more expensive, is feasible for an even smaller number.

Conclusion

Japan's economic problems are somewhat analogous to those of Western Europe. Both are highly industrialized areas whose processing capacity has been or is being restored to a point where potential export production is or will soon be equal in value to import requirements. The difficulty is that the non-dollar area, in which the greatest demand for European and Japanese exports exists, is not at present in a position to supply a corresponding value of foodstuffs and raw materials needed by Europe and Japan. Because of the adverse effect of various wartime and postwar developments on primary production in the non-dollar area, both Japan and Western Europe will find it difficult to maintain their present living standards on a self-supporting basis and to increase those standards until either production of food and raw materials have been greatly expanded in the non-dollar area, or American and other dollar area imports from Europe and Japan have been drastically increased over present levels, permitting continued acquisition by Europe and Japan of a substantial proportion of their food and raw material requirements from North America. Both of these developments are likely to require time, however, and the degree to which the latter, especially, will take place is uncertain. During the next few years, therefore, if U.S. food and raw materials grants decline as projected, we are likely to see Japan and the industrialized countries of Western Europe competing with increasing intensity for the limited food and raw materials available in the non-dollar area. The extent to which Japan will prove successful in this competition will depend on the degree to which it recovers its position as an exporter of low-cost products of a quality and variety meeting the demands of the countries engaged in primary production.

The Korean conflict and consequent stepped-up American and European rearmament programs have materially improved Japanese economic prospects. Expanded U.S. and European purchases of rubber, tin and other primary products in Southeast Asia will provide that region with increased dollar income, a substantial portion of which may be used to purchase Japanese exports. Availabilities of products which Japan requires from Southeast Asia will not be increased but expanded dollar earnings from the area would enable Japan to buy what it requires in the Western Hemisphere. Past experience indicates, also, that Western rearmament may curtail the export trade of the rearming nations, thereby reducing the competition faced by Japan's exports and facilitating its acquisition of an important share of the increased supply of dollars accruing to the primary producing countries. The substantial dollar sums that Japan is receiving in payment for materials furnished the United Nations forces in Korea, sums which are likely to increase in coming months and which may eventually be followed by sizable earnings from Korean rehabilitation, are a further factor. Although the terms of trade are moving against Japan as a result of developments flowing from the Korean war, prices of certain primary products rising faster than of exported manufactures. this factor should constitute only a partial offset to the above three favorable factors, which, together, should appreciably advance the date of Japanese self-support.

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* The author has just finished his book "The Occupation of Japan — Second Phase: 1948—50" which was published

by the Institute of Pacific Relations, New York. One of its many interesting and enlightening chapters deals with the economic prospects of Japan, and this sixth chapter has been reproduced above. The volume of Mr Fearey provides an authoritative, up-to-date survey of Japan's progress toward economic recovery and political autonomy. No such concise general survey of occupation developments and problems has been available since the earlier IPR book, The Allied Occupation of Japan, which covered the period 1945-47.

The problems of American policy in Japan and of Japan's present and future role in the strategic alignments of Asian countries are seen today to be of far greater practical significance than before American military unpreparedness in East Asia was so suddenly revealed in Korea. Though Japan has not thus far taken any direct part in the Korean war, its military importance as a base and staging area and its economic and political importance as a major industrialized and non-communist nation in the Far East have become increasingly evident.

As Ambassador Grew, says in his Preface, "The American people, and indeed the world, should be given a much more intimate glimpse of the problems faced by Japan and the Occupation and the way in which those problems are being met and gradually solved by the Japanese with American help ...This book affords that intimate glimpse....To me, this is one of the most engrossing books that I have read."

Mr. Fearey was Ambassador Grew's private secretary in Japan in the years before Pearl Harbor and was interned with the rest of the American Embassy for six months after the outbreak of the war. Subsequently he was appointed to the Office of Northeast Asian Affairs in the Department of State, where he has been intimately occupied with Japanese and East Asian affairs during the past eight years.

In his Preface, the former US Ambassador to Japan, Joseph C. Grew, writes, inter alia:—

A prominent Japanese recently wrote: "The United States emerging victorious, now exerts her supreme influence over Japan, conquered foe of yesterday and willing friend of tomorrow." That phrase "Willing friend of tomorrow" conveys a reflection of grave importance to our country and our people. In a world distraught by international stresses and strains, the future friendship of Japan to the United States can be of incalculable significance. For let us have no doubt about the potential importance of Japan's place in the future world picture. Probably for a long time to come, Japan will have to struggle with the almost overwhelming domestic economic, financial, social and political difficulties which now beset her. Saddled with the aftermath of the war, the terrific destruction, disorganization and moral discouragement which defeat in modern war inevitably entails, the loss of her outlying areas and dependencies, the hazard of communism, and finally the steady growth of her population increasing at the approximate rate of a million and a half souls a year, Japan today, merely to survive, faces uphill-work which might well cause a less virile people to throw up their hands in impotent resignation.

But the Japanese are a virile, hard-working, and industrious nation. A people who, on emerging from the darkness of a wholly isolated feudalism, were able within a generation to rise to the status of the great powers and to compete successfully with other great powers, can only be classed as a progressive community. The cult of aggressive militarism unhappily played an important role in their advancement and ultimately led to their ruin. Yet had the Japanese people been allowed by their military masters to follow peaceful policies, and had their military power been used exclusively for purposes of defense, their progressiveness in other fields would have enabled them to retain today their former rightful place among the leading nations of the world. Given a period of freedom from military attack and from internal subversion and uprising during the coming years, and given furthermore the logical hypothesis that they have permanently learned the grim lesson that aggressive militarism does not pay, the Japanese may rise from the ashes of defeat and work their way to a new salvation. Unquestionably it is in the best interests of the United States and the American people to give all reasonable support to that process.

Japanese Economic Reports

Counterpart Fund Operation

Utilization of the Counterpart Aid Fund has not yet been done to its fullest extent. In February, it amounted nearly to Y7,279 million, leaving the available balance of Y104,373 million at the end of the same month. A bird's-eye view status of the Fund for the 11 months from April, 1910 through February, 1951, is (in million yen):

Fund	170,410
Credited by transfer	12,075
Interest on investment	4,149
Investment returned	27,300
Surplus of preceding year	14,834
Others	112,052
Utilization	66,037
Investment in Public Enterprises	30,519
Investment in Private Enterprises	27,982
Expenditures on Economic Reconstruction	7,536
Balance	104,373

Further breakdown of the fund utilization is as follows:

	In Feb.	11-Month Total
Public Enterprise	3,778	30,319
Telecommunications	—	11,300
National Forest	412	3,000
National Railways	300	4,000
Housing Financing Corp.	2,000	5,640
Public work	1,066	6,579
Private Enterprise	3,379	27,982
Electric Power	2,000	7,626
Marine Transportation	602	10,751
Coal Mining	164	1,806
Iron and Steel	—	436
Chemical Fertilizer	80	182
Chemicals	60	205
Agriculture & Fishery	—	309
Preference Stocks	—	5,200
Medium & small Enterprises	53	1,047
Chemical Fibre	420	420
Tourist Industry	—	—
Loans Redeemed	—	—
Economic Reconstruction	122	7,536
Housing Corp. for Allied Forces	—	6,556
CIE	30	135
Skim Milk	92	845
Charge	—	—
Total	7,279	66,037

As to the utilization of the fund for the private enterprises, which amounted to Y27 982 million, it is still behind the scheduled Y37,100 million.

Details are as follows: (In million yen)

Categories	Amount Supplied	Amount Planned
Electric Power	7,626	10,000
Marine Transportation	10,751	13,500
Enterprises Medium & Small	1,047	2,400
Preference Stocks	5,200	5,200
Others	3,358	6,000
Coal Mining	1,806	
Iron and Steel	436	
Chemical Fertilizer	182	
Chemicals	205	
Agriculture & Fishery	420	
Chemical Fibre	—	
Total	27,982	37,100

Japan's Export of Bicycles in 1950

Regional breakdown of export of bicycles and replacement parts for 1950 is as follows:

Countries	Jan.-June	July-Dec.
Formosa	1,991,000	1,810,000
Indonesia	—	488,000
Hong Kong	17,000	120,000
Thailand	55,000	74,000
China	—	126,000
Burma	9,000	99,000
Philippines	52,000	37,000
Singapore	28,000	51,000
Ceylon	5,000	23,000
South & Central America	26,000	44,000
Africa	4,000	27,000
Okinawa	61,000	21,000

Japan's Imports for 1950

A noteworthy point in the 1950 import was a marked increase of private trading.

	1949 $	1950 $
Private import	370,000,000	601,625,000
U.S. aid import	534,597,000	357,325,000

In value, the 1950 import was as high as 98 percent of the prewar level, but it should not be overlooked that such a high percentage was brought about by the rise of prices. The index of quantity of imports was 30-35 for 1950 against 100 for 1934-5 (comparing with 28 for 1949).

The following is a monthly breakdown of 1950 imports (in 1,000):

Jan.	72,800
Feb.	80,262
Mar.	85,461
Apr.	93,207
May.	80,009
Jun.	72,846
Jul.	63,204
Aug.	69,604
Sep.	77,215
Oct.	82,538
Nov	82,206 (provisional figure)
Dec.	99,598 (provisional figure)
Total	958,950

Crude Oil for Japanese Refineries

The allocation of crude oil to all the refineries on the Pacific coast, which is now 33,000 barrels a day in total, will be raised to 41,000 barrels shortly. Originally the Japanese Government Resources Board was desirous of increasing this daily allocation to 40,000 barrels and has been conducting negotiation with GHQ, SCAP, for this purpose.

A table of scheduled distribution for each refinery follows:

Refineries	Planned Daily allotment (barrels)
Japan Petroleum (Nippon Sekiyu) Co.	
Yokohama	5,000
Shimomatsu	5,000
Toa Fuel (Toa Nenryo) Co.	
Shimidzu	5,000
Wakamatsu	6,500
Showa Petroleum (Showa Sekiyu) Co.	
Kawasaki	5,000
Maruzen Petroleum (Maruzen Sekiyu) Co.	
Shimotsu	6,000
Mitsubishi Petroleum (Mitsubishi Sekiyu) Co.	
Kawasaki	4,500
Koa Petroleum (Koa Sekiyu) Co.	
Marifu	4,000
Total	41,000

Imports Topped Exports in February

The import in February was raised to exceed the export for the first time since last spring. Payments of foreign exchange totaled US$166,340,000 against receipts of $146,480,000, showing an excess of import by $19,860,000.

The receipt includes the proceeds of export, $94,660,000, and invisible income, $51,820,000 (including $32,000,000 from special procurement orders), while the payment comprises $160,450,000 for imports and $5,890,000 for invisible trade expenditure.

The regional breakdown of the excess of payments, invisible trades not included, amounting to $65,790,000, is $62,020,000 for the dollar area and $16,200,000 for the pound area, counteracted by $12,430,000, excess of receipt for the open account area.

Main exports included $24 million of cotton products, $8 million of rayon products, and $7 million of raw silk and silk fabrics. Main imports were $77 million of raw cotton, $12 million of raw wool, $6 million of crude rubber, and $4 million of rice.

The cumulative total of receipts and payments of foreign exchange for January and February was raised to $282,140,000 and $272,700,000, respectively, with a favourable balance of $9,440,000.

Export Prices

General export price index at the February-end was 156, showing an increase of 10 percent over January (immediately before the establishment of the current yen-rate (Apr. 1949)=100). Instigated by world wide buying, prices of all kinds of goods have been raised, and exporters do not seem to lower the prices for the present, taking little heed of a sign of declining orders from abroad. The following are export prices in U.S. dollars and February price index:

Items	Unit	Price Feb. 1951	Jan. 1951	June 1950	Feb. Index
Cotton Yarn	Pound	1.10	1.02	0.60	147
Cotton Cloth A	Yard	0.31	0.28	0.155	182
„ „ B	„	0.335	0.295	0.175	153
„ „ C	„	0.285	0.26	0.155	128
Raw Silk	Pound	5.70	5.40	2.60	205
Silk Textile	Yard	0.76	0.65	0.477	147
Staple Yarn	Pound	1.15	1.13	0.54	161
Rayon Yarn	„	1.28	0.94	0.63	177
Rayon Fabric	Yard	0.285	0.225	0.16	129
Worsted Yarn	Pound	5.15	4.58	2.64	187
Steel Bar	Ton	127.00	110.00	60.00	107
Iron Sheet, Galv'd	„	400.00	330.00	180.00	184
Weaving Machine	10-thousand Spindles	270.00	270.00	215.00	91
Bicycle A	Unit	32.50	34.50	18.00	180
„ B	„	32.50	34.50	18.55	180
Aluminum Pan	Piece	0.92	0.90	0.66	108
Copper Wire-rods	Ton	785.00	760.00	495.00	216
Cement	„	15.50	14.50	12.50	96
Sheet Glass	Case	6.70	6.70	4.90	134
Chinaware A	Dozen	0.64	0.62	0.47	53
„ B	Set	18.50	18.00	14.00	80
Enam'd Ironware	Dozen	4.60	3.20	1.78	115
Canvas Shoes	Pair	0.75	0.75	0.46	167
Truck Tire & Tube	Unit	76.00	76.00	27.50	300
Canned Orange	4 Dozens	4.30	4.30	4.00	143
Tea	Pound	0.32	0.31	0.38	100
General Index		156	140	83	—

Cotton Goods Export for 1950

Japan made another jump in her export of cotton goods during the calendar year of 1950 with 1,103,441,845 square yards of cotton fabric and 24,527,682 pounds of cotton yarn.

Cotton cloth (in 1,000 sq. yds.)

	Grey	Bleached	Others	Total
1948	193,427	69,394	159,379	422,200
1949	420,192	113,170	213,229	746,591
1950	404,141	248,519	450,782	1,103,442

Cotton yarn (in 1,000 lbs.)

1948	9,261
1949	22,389
1950	24,527

Investment of Port Facility

With a view to alleviating the growing congestion and accelerating the smooth operation of export and import, the Japanese Government has decided to initiate improvements in the cargo-handling facilities at the eight main ports. The eight main ports include Tokyo, Yokohama, Shimizu, Nagoya, Osaka, Kobe, Kammon, and Hakata.

The volume of loading and unloading work at those ports is estimated to amount to 36 million tons for 1951 (not including work for occupation forces), whereas the capacity available to civilians cannot be more than 26,240,000 tons in total, of which 9,200,000 tons are cleared by wharf facilities and 17,040,000 tons by lighters, one-third of the pre-war potential of 74,990,000 tons. In order to meet the expected volume of cargoes, the port facilities must be increased almost 40 percent, one half of which, however, will be covered by the coming improvement program of the Government.

According to the project, the following are planned:—

1) To make up the loss of the dock facilities due to the exclusive use for the military purposes, piers will be newly constructed at Tokyo, Yokohama, Kobe, Kammon, and Hakata ports

2) Building of 61,000 tons of new lighters and remodeling of 138,000 tons of old lighters will be carried out.

3) Building of new sheds and warehouses with a floor space of 25,225 acres in total, and renovation covering a total floor space of 10,582 acres will be shortly effected.

4) Installation of 30 units of cargo-handling gear including cranes, conveyers or others, and renovation of 10 privately-owned wharves at Nagoya, Osaka and Kobe ports.

The total cost for the project is estimated Y6,700 million, some part of which is expected to be financed out of the Counterpart Fund, and it will be alloted as follows:

	(in million Yen)
Construction of new public wharves	2,946
Renovation of privately-owned piers and installations of cargo-handling gear	826
Building and remodeling of lighters	999
Building and renovation of sheds and warehouse	1,930
Total	6,701

FOREIGN EXCHANGE CONTROL IN SINGAPORE

Exchange Control was instituted in the Sterling Area, i.e. The British Commonwealth (except Canada) and certain other countries closely connected with the Commonwealth, in 1939 mainly for the following reasons.

To restrict the movement of "hot money" and other capital transfers between the Area and places outside it:

To mobilise Sterling Area owned assets held in countries outside the Area and to use such assets when necessary for the good of the Area as a whole:

To ensure payment for exports:

To restrict outside expenditure to essential goods and services and to other approved payments.

The Exchange Control in Malaya does not, itself, sell or own foreign currencies or gold. These functions are exercised by members of the Malayan Exchange Banks Association who are designated as "Authorised Banks". They operate under directives and exemptions given under the Finance Regulations by the Exchange Control.

The following is a brief outline of the procedure.

Imports:—An importer who wishes to pay for goods ordered under a current import licence should apply to his bank for permission to remit. He will be required to complete in duplicate, a Form E or E1 (for imports) as appropriate according to the currency involved and to submit for examination and marking the import licence together with contract or other documents showing, the price of the goods. If payment is to be made to the country of origin of the goods by a normal method banks have the necessary authority to deal with such applications without special reference to the Exchange Control.

When an application has been approved the duplicate of the Form E or E1 as the case may be will be returned to the importer. For the purpose of ensuring that the goods are imported this duplicate Form should in due course be lodged with the bank making the remittance, together with the exporter's invoice and the Exchange Control copy of the Inward declaration.

Note:— Form E is used for formal application to a bank for the purchase of foreign currency. There are two types—one for purchases of a general nature and one in respect of payment for imports into the sterling area only. The latter calls for a description of the relative goods; their country of origin; the country from which they are consigned; the date, or approximate date of importation; the name of the sterling area country to which they are consigned; details of the import licence; the registration number of the letter of credit where applicable.

Form E1 is a formal application to a bank for permission to make a remittance in a sterling area currency. The details required are similar to those required for Form E (for imports).

Travel:— All persons who are considered for Exchange Control purposes to be residents of Malaya are permitted £100, known as Basic Travel Allowance, for holiday travel in neighbouring territories and most countries of Europe, for the year ending 30th April, 1951. Applications should be made to a bank or recognised travel agency on Form T which merely asks for details of the funds required for each country to be visited. Banks have the necessary authority to deal with most applications without reference to the Exchange Control.

Applications for travel for business purposes are referred to the Exchange Control by the banks for consideration.

Payment of a General Nature:— Applications under this heading are not decided by the banks although the Forms E and E1 must be lodged with them in the first place, but are dealt with by the Exchange Control in accordance with the policy in force at the time the Forms are received. The Forms should contain full details of the purpose of the payment and should be accompanied by documentary evidence where appropriate.

Exports:— In order to ensure that the sterling area receives payment for Malayan exports to places outside the Area it is necessary for an exporter to complete a Form CD 3 in respect of the goods to be shipped, and lodged with the Registrar of Imports and Exports before export is permitted. The Form is in the nature of a declaration of facts and must show the names and addresses of the sellers, buyers and consignees together with the value of the goods and country of final destination. The acceptable methods of payment are prescribed by the Exchange Control and vary from time to time. Current methods can be ascertained from banks or from the export section of the Exchange Control.

When the Form is accepted by the Registrar pages three and four are returned to the exporter while the information given on page one is checked against the carrying vessels' manifests. On receipt of payment the exporter obtains a certificate on page three from a bank showing the amount received and deposits the Form accompanied by the relative invoice with the bank for transmission to the Exchange Control. Page three is a duplicate of page one with the addition of a section for the bank's certificate. Pages two and four contain instructions to the exporter regarding completion of the Form and the like.

RICE IMPORTS BY SINGAPORE GOVERNMENT

Before a shipment of rice arrives in the port the Controller of Supplies is notified by the Shippers of its date of arrival. The government agent for this year, Messrs. Harrisons and Crosfield (M.) Ltd., is then informed, according to the official Singapore Economic Information Bulletin.

When the rice arrives the Agent arranges for lighters to land the rice from the ocean going vessel. It is the Agent's responsibility to examine each shipment and ensure that the rice is in good condition and of the proper quality and to move each shipment into government godowns as requested by the Controller of Supplies. This last operation requires some care. Rice must be guarded from pilferage from the time it leaves the ship's sling until it reaches the Consumer. Patrol boats of the Marine Police escort all lighters from ship to shore and there are guards at the place where the lighters are berthed. The discharge of the lighters is supervised by Inspectors of the Food Control Inspectorate. Employees of the agent also attend the discharge to tally rice bags, segregate and weigh slack bags, collect and rebag sweepings from the lighters.

The storage of rice in godowns must be planned, for the Colony receives rice in a variety of grades. These grades are stored in separate godowns but this must be done in such a way that the rice can be easily distributed on Ration Issue days.

For instance, if the ration for a period is eighty percent high grade and twenty percent low grade it would not be satisfactory to have distributor's lorries circling the town collecting high grade in Pasir Panjang and then moving on to Bukit Timah or other remote godowns to collect low grade. It has therefore to be arranged that high grade and low grade be stored in godowns in fairly close proximity to each other to facilitate delivery on ration issue days. Furthermore, rice is a perishable commodity and cannot be stored indefinitely. Newly arrived shipments must be so stored that the old stock will be accessible for removal at the appropriate time.

The distribution of Rice imported by the government is in the hands of the Singapore Rice Importers Association.

By arrangement with the Government Agent, the Association collects the rice on ration issue days and passes it on to wholesalers (who in turn deliver it to the retailers). Transport for this operation is provided by the Association, who furthermore, pay the Government for all the rice so issued. In this way Government is relieved of the necessity of maintaining a large fleet of vehicles and of the need to bear such financial risks as defaults in payment by wholesalers or retailers.

Often the quality of rice issued is not that which most people prefer. This is because the Government, from whom the rice is bought, decides the proportionate amounts which Singapore can have of each grade. A substantial proportion of our rice supplies comes in low grades, which must be passed on to the consumer in his ration. The term low grade does not mean that the rice is of inferior quality in itself; it refers to the condition of the grain; i.e. broken grain.

FINANCIAL REPORTS

FOREIGN ASSETS IN RED CHINA

The question of what to do with the foreign owned utilities in China, especially those in Shanghai, has long been studied by the communist authorities. Plans have been made to acquire them by compulsory purchase, allowing foreign shareholders a Peking-fixed compensation for original investment minus depreciation, and paying such compensation in Chinese currency (probably in non-negotiable bonds). As a result of the war developments in Korea the communist authorities were now inclined to adopt a more drastic policy, namely outright confiscation of US and British, and probably also French and Belgian assets. The earlier moderate plan of nationalisation of utilities owned by foreign companies and the acquisition of majority interests in other foreign owned enterprises such as industries may have been scrapped.

The original desire of the authorities, with which the Chinese public sympathised, was to eliminate foreign control from industrial undertakings and from all utilities as operated in Shanghai and Tientsin, as well as from the mainly British owned dockyards and warehousing facilities. The authorities were however anxious to retain the services of the experienced technical and administrative staffs, and they also did not want to antagonise foreign owners of utilities, industries etc. by proceeding without some attempt at negotiating the take-over. The compilations following upon the military intervention of Red China in the war in Korea seem to have terminated this more reasonable approach. With the US embargo on exports to China and the simultaneous freezing of Chinese communist assets in the US, as announced by the US Treasury, all American assets, including the Shanghai Power and the Shanghai Telephone companies, have been taken over by the Chinese authorities, and the future of these assets is very obscure.

As regards British investments the Peking regime is as yet holding off; the only requisitioning of British properties has occurred in the case of the Shell (Asiatic Petroleum Co.) installations and oil stocks, and this step has been taken in retaliation for the Hongkong Govt's requisitioning of an oil tanker which was claimed both by the communist and the nationalist authorities. The financial position of British owned industries and utilities is unclear. Shareholders do not generally view the future with any optimism, many seem to be resigned to the eventual total loss of their investment. They point out that other investments in China, like in railways and state loans, in Shanghai municipal debentures and other so-called gilt-edged investments in pre-war Shanghai securities do not represent any real value to their owners, and that the writing off of these investments as extremely doubtful debts would appear to be the only thing to do under present political conditions in China.

The principal foreign owned utilities in Shanghai are the waterworks, gas company, tramway and electric construction company (British), the power and telephone companies (US), and the ex-French concession tramway and power company (French).

HONGKONG FREE EXCHANGE & GOLD MARKET

Review for the week May 7—12:—

Gold:—Highest & lowest rates per .945 fine tael $324-3/8—315½, equiv. to .99 fine tael and oz prices of resp. $339.82—330 52 and $282.40—274.67. Crossrates US$44.90—45¼.

Day-to-day prices per .945 fine tael: $317—315¾; 319—315½; 319-7/8—317-7/8; 322-7/8—318-7/8, 324-3/8—320-1/8; 323-3/8—321. Week's opening 316½, closing 321¼.

Trend of the market was upward, on the reverse from the previous week. Factors for the steady market were improvement of TT New York, revival of big exports to Bangkok and Singapore (stimulated by big profit margins of $40—50 per tael, adequate to run risks here), and change of the policy of London vis-a-vis Red China may increase tension locally The week-end reaction was not indicative of a turn but only caused by profittaking.

Change-over interest in favor of sellers totaled 25 cents per tael or 4% p.a., a small yield for investment capital. Trading was quiet, contracts totaled 129,000 taels or daily average of 29,850. Positions taken figured at 93,500 per average day, in which importers and Cantonese group were oversold, and local groups, Shanghai and Swatow groups overbought.

Cash sales: 49,500 taels of which 19,800 listed officially, and 29,700 privately arranged. Of the total 24,500 taels were taken up by exporters, 1000 taels by local goldsmiths and 24,000 changed hands among marginal holders. Exports were shipped to India (6000 taels), Bangkok (9000) and Singapore (9500). Better co-ordination of shippers and transport agents accounted for the large amount of exports.

Importers received from Macao 21,500 taels, a quantity which was expected to rise soon as arrangements for 'safe conduct' had been made. Arrivals in Macao were in excess of 60,000 ozs fine. Certified .99 fine bars were $15.60—15.90 higher than the .945 fine bars, while .97 fine bars, uncertified, fetched a premium of $2.40. In Macao, the premium for .99 fine was $14.90 New contracts signed in Macao were around US$44.50—44.70 per fine oz, and almost 50,000 ozs were involved.

Outlook: As exports revived prices may harden unless further seizures show up recent 'arrangements' as ineffective. At the same time TT New York was increasingly difficult to obtain in larger amounts and thus the gold price must in sympathy move to higher levels. For long-range speculation the uncertain political situation is to be considered; here one is more dependent on vague feelings and calculations than on any facts. The world moves towards war, that appears to be the general opinion, but when this world conflagration is to break out is impossible to forecast. For the current year we may enjoy conditions not unlike the ones experienced during the recent past, that means no large-scale fighting but rearmament at a steadily expanding degree and intensity.

Silver:—Market was as usual, featureless and quiet. Total sales: 64,000 taels in weight. Prices per bar of one tael (.99 fine) $6.09—6 11, dollar coins 3.91—3.92, small coins $3.01—3.02.

US$:—Highest & lowest rates per 100: US notes $623—611½, DD 625—611¾, TT 628-614½, crossrates US$2.547—2.603. Day-by-day TT rates: $615¼—614½, 617—615, 618½—616½, 624—619, 628—622½, 626½—624.

Market turned very firm on heavy buying by especially one leading gold importing firm (this one firm buying over US$1½ million). There was some shortage of funds in New York and reluctance of holders to part with their holdings was discerned. Overseas sellers were scarce, Bangkok turned from selling to buying; overseas Chinese remittances were also small. The fact that Bangkok required considerable funds in New York caused initial firmness in the local market which was later improved by local inquiries.

Sales: TT US$1,780,000 DD and notes US$740,000.

Bank Notes:—Piastre notes dropped from $13.95 to 13.30 per 100. Canadian dollars following US$ appreciation rose from $5.70 to 5.82. Yen was steady at 155—158 per 10,000; there were rumors again that the yen was to be devalued and that the new rate was to be in excess

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The function if the Food Control Inspectorate is to ensure that rice imported on government account reaches the public at the proper time, in the right quality and amount.

As has already been mentioned this job begins when the rice is landed and weighed. Food Inspectors then check the time of transit for lorries from landing point to godown. Inspectors make surprise visits to the godowns, by day and by night, to ensure that guards and watchmen are attending to their duties.

On ration issue days each bag of rice is weighed before it leaves the godown and a record is kept of weight and destination. The monthly issue is about 8,000 tons and 870 retailers receive supplies twice a month so this no light task.

Before every rice issue each retailer sends in a return of his stock. His allocation is then calculated in its various grades and posters are prepared for each retailer showing the rice issue for the next ration period. This work must be done to time table otherwise the issue of rice would be held up.

A further duty undertaken by the Inspectorate was the preparation of rice samples which are now being displayed by all retailers to enable the public to see the quality of rice which they should receive. This entailed the filling and sealing of approximately 7,000 bottles. These samples have to be kept up to date, and checks made that retailers are displaying the correct grades for the current issue.

of 400 yen to the US$. Malayan dollar dropped from $1 80 to 1.70, the embargo on rubber shipments to China having been the cause. Sterling notes quoted $15.76—15.85, Australia 12.82—12.85, India 1.17—1.18, Manila 1 66, Siam 28.70 (per 100), Indonesia 38 (per 100). Macao pataca at $1.05—1.06

Chinese Exchange:—Official rates remained unchanged. People's yuan was sold here at $224—226 per million (210 m. transacted), DD Canton at $220—223 (and DD Amoy 225—226, total sales 450 m.). HK$ remittances to Canton quoted 95—98 in favor of Hongkong, sales $75,000. Gold and US$ exchanges with Shanghai quoted nominal and at 89 resp. Gold and US$ exchanges with Taiwan quoted resp. 99—99½ nd 97. Business was small.

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Review for the week May 14—19:—

Gold:—Highest & lowest rates per .945 fine tael $323¼—318⅜, equiv. to .99 fine tael and oz rates of resp. $338.64—333 48 and $281.42—277.13. Crossrates US$44.90 high, 44.65 low.

Daily rates: 321⅝—320¾; 323¼—319½; 321⅝—318⅜; 322⅞—319¾; 322⅝—321⅛; 321⅝—320¼. Week's opening $321, closing 320⅞.

During the week under review prices fluctuated within a narrow margin and the trend was unclear. No encouraging factor entered the calculation as world news did not inspire any speculative action. Traders were quiet, being on the look-out for better off-take in East Asian ports. The imagined dangers which Hongkong is facing seem not to be taken too seriously by the operators; at any event, previous misgivings have been allayed by recent rumors of peace breaking out in Korea, perhaps around the end of June when the anniversary of the communist aggression can be 'celebrated.'

Interest in the forward market totaled 26 cts. or a yield of about 4¼% p.a. to hedgers (forward sellers). Tradings totaled 148,200 taels or a daily average of 29,640. Positions taken figured at 92,800 taels per average day; importers and hoarders were sellers, speculators mainly of the Shanghai group were buyers. Cash bars: total sales 38,790 taels (of .945 fine) of which 10,690 officially listed, 28,100 privately arranged. Exporters took up 16,500 taels, goldsmiths 1290, and the so-called marginal hoarders 21,000.

Exports were shipped to the following destinations: India 4000 taels, Singapore 7500, Bangkok 5000. Differences paid for .99 fine bars ranged from $15.60—15.70 (for .97 fine bars $8.40) The local gold exchange certifies, by putting a chop on gold bars, the fine gold content but it has happened many times that outport dealers question, with whatever justification remains to be seen, the exact gold content. Imports totaled 19,500 taels, all from Macao. Macao arrivals exceeded 70,000 ozs fine. Stocks in Macao are on the increase which fact should depress quotations until better sales are assured.

HONGKONG STOCK & SHARE MARKET

Last week's closing quotations:—

H K GOVT LOANS	
4% Loan	98
3½% „ (1934 & 1940)	95
3½% „ (1948)	95
BANKS	
H.K. & S. Bank	1300
„ (Lon. Reg.)	£80½
Chartered Bank	£10½
Mercantile Bk. A. & B.	£23
Bank of East Asia	102
INSURANCES	
Canton Ins.	245
Union Ins.	700
China Underwriters	3¼
H.K. Fire Ins.	135
SHIPPING	
Douglases	150
H.K. & M. Steamboats	15
Indo Chinas (Pref.)	12
„ (Def.)	60
Shells (Bearer)	95/7½
U. Waterboats	17
Asia Nav.	1
DOCKS, WHARVES, GODOWNS, ETC	
H.K. & K. Wharves	74
North Point Wharves	4.90
Sh. Hongkew Wharves	4
H.K. Docks	12½
China Providents	10¼
S'hai Dockyards	2.90
Wheelocks	23¼
MINING	
Raub Mines	4.70
H.K. Mines	.00¾
LAND, HOTELS & BLDGS.	
H. & S. Hotels	5½
H.K. Lands	31½
S'hai. Lands	1.10
Humphreys	7½
H.K. Realties	1.90
Chinese Estates	109
PUBLIC UTILITIES	
H.K. Tramways	11
Peak Trams (Old)	20
„ (New)	9½
Star Ferries	52
China Lights (Fully Pd)	5¾
„ (Partly Pd)	3.30
„ (Bonus Sh.)	5.60
H.K. Electrics	22¼
Macao Electrics	10
„ (New)	10
„ Bonus Sh.	8½
Sandakan Lights	8¾
Telephones	9½
Shanghai Gas	1½
INDUSTRIALS	
Cald. Macg. (Ord.)	24.10
Cements	10
H.K. Ropes	12
STORES &c.	
Dairy Farms	11¾
Watsons	16
L. Crawfords	25
Sinceres	3.20

Contracts made in Macao for immediate delivery totaled last week 16,000 ozs, at US$44.45 to 44.60 cif Macao.

US$:—Highest & lowest prices for US notes HK$625¾—619, DD 626—620½, TT 629—622½. Crossrates US$2.543—2.57. Daily TT rates: $624—623½; 625½—622½; 624¼—622¾; 626—623½; 629—626; 627½—625½. Trend and undertone of the market continued to be steady and reluctance of sellers was noticable. Gold importers were buyers less for covering new contracts than for paying of ready cargo The customary Bangkok sellers offered small lots only but demand for conversion of gold proceeds into TT New York will force them into the open. Business was rather large especially in the TT sector where US$1,430,000 were reported. In notes and DD another US$525,000 were done. A frequent buyer, the Pao Sang bank, was again in the market, probably accumulating US$ funds for later transfer to American suppliers of goods destined for communist China. Oversea Chinese remittances continued on a very moderate scale, particularly small being the receipts from US Many relatives of Chinese in America are cither refugees here, in Macao, in Taiwan or elsewhere in the Far East, and those who remained in Kwangtung and Fukien are under surveillance of the communist authorities who are anxious to obtain exchange and to curb black market business. Merchant demand was about equal to offerings from exporters. More imports from the US are arriving and new contracts are being signed but care is taken, by importers first of all, to make sure that such US goods are only for local consumption and for reexports to other than Red China areas.

Bank Notes:—Rates per one currency unit, in HK$:—London 15.85—15.90, Australia 12.70—12.71, Canada 5 80—5.83, Malaya 1.78¾—1.80¼, India 1.17½—1.18, Burma 88—.89, Ceylon .96—.98, Macao 1.05—1.06, Manila 1.67—1.75, Taiwan .28—.32. Per 100 units: Siam 28¾, Indochina 13.45—13.60, Indonesia 38—40. Japanese yen, per 10,000, $164—166.

Silver:—Though world prices show some firmness especially in India the local market for lack of stock and traders remains stagnant. Sales: 42,000 taels, mostly arranged among silversmiths and dealers. Nominal quotations per bar of one tael (.99 fine) $6.09-6.11, dollar coin 3.91—3.92, small coins, 5 pcs, $3.01.

Chinese Exchange:—Quotations per one million People's Bank yuan, in HK$:—notes 230—280 (sales 280 million, rate about 12% discount of official rate), DD Canton 224—229, DD Amoy 250—256 (sales 430 m.) Amoy public suffers from very strict, terroristic control, Canton enjoys relatively easy treatment. HK$ remittance with Canton quoted 95—98 in favor of Hongkong, sales: HK$ 59,000. Gold and US$ exchange with Shanghai quoted resp. 98½—99 and 89—89½ (per 100 in Shanghai), business being increased over recent dull periods. With Taiwan gold and US$ exchange quoted resp. 98½—100 and 97½, business increasing. Taiwan new yuan (bank notes) were offered in larger quantity and there were also adequate buyers so that the rate improved from 28 HK cts. to 32.

HONGKONG COMMODITY MARKETS

The Hongkong commodity markets continued their featureless trend last week, although several important matters occurred which will sooner or later have an effect upon events. The principal of these was the approval by the United Nations of the application of economic sanctions against China, and notwithstanding the impression that this will not greatly alter the situation in Hongkong where the existing export control measures have of late been considerably strengthened, it nevertheless remains doubtful as to whether controls will be imposed by other countries which have up to now been sending supplies to the Colony, especially of metals.

The recent readjustment of import duty rates by the Chinese authorities has caused some confusion particularly in the industrial chemicals market, as merchants who had effected their purchases under import licences recently granted for barter purposes now find themselves obliged to complete shipment faced with the payment of increased customs duty.

Considerable activity was shown in China produce, especially vegetable oils as a result of purchasing by European countries for stockpiling purposes and the efforts exerted by dealers in China to increase their export trade

Cotton Yarn

With a short week as a result of the Whitsun holidays, and a lack of export demand, cotton yarns continued to be depressed with prices falling further. Few transactions took place. Indian 20's declined: New City of Bombay sold at $2030 per bale, Gokak Mills was quoted at $1950, Phoenix Mills was offered at $1920, and Kotak & Co. was quoted at $1910 per bale; in 26's, New City of Bombay was offered at $2140 per bale, Jaya shankar Mills sold at $2070 and Kotak & Co. at $2080 per bale; in 32's Lakshmi Mills sold at $2300 per bale, while the Model Mill, Nagpur, was quoted at $2300 per bale; in 40's, prices stood at $2710/ $2700 per bale. Hongkong-made yarns with decreased export demands and little local buying would have had a quiet market had it not been for some speculative purchasing of 20 counts: 20's Double Swallow and Lucky Swallow had sales at $2040 and $2050 respectively per bale, while Red Double Lion sold at $2030 and Golden Peak at $2085 per bale

Cotton Piece Goods

Except for some speculative buying at one time, cotton piece goods were inactive and even the further cutting of rates by sellers did not attract buyers. Indian grey sheeting No. 2617 sold at $59 per bolt, while No. 2293 36" 40 yds. was quoted at $59.50 per bolt.

Metals

With the exception of galvd. iron wire and mild steel plates and galvd. iron sheets, the metals market was particularly inactive. A report that the Chinese authorities intended to raise the import duty on all metal imports other than from countries included in the Soviet bloc created some confusion in regard to prices.

Galvd. iron wire was the most active item, notwithstanding an announcement that the import duty into China on this item had already been increased. Mainland buyers holding import permits showed interest and prices rose for a time: G8 which was especially popular was transacted at $100 per picul but fell later to $95; G10 rose to $105 and then fell to $98; G12 advanced to $110 per picul but later sales were at $100; G14 and G16 rose to $120 and $130 respectively and then declined to $105 and $120 per picul; G18, G20 and G22 closed respectively at $147, $150 and $160 per picul. Mild steel plates being also in demand by dealers from China showed some improvement: 4'x8' ⅜" was transacted at $123 per picul, ¼" commanded $118 at the lowest price and $125 at the highest, 5/16" stood at $175 per picul, while the average price of 3/16" to ½" was $120 on wholesale quotations. Galvd. iron sheets being found profitable for barter was also of interest to mainland buyers: 3'x7' G24 and G26 were transacted at $1.55 per lb., G28 rose to $1.75, G31 (Japan) sold at $19.50 per picul; 3'x6' G30 (Japan) fetched $14.50 per picul. Mild steel round bars were in the opposite camp; local purchasing being small and the demand from China having slackened, resulting in congested godowns, a steep decline in prices took place: 40' ⅜" to 1" which earlier had stood at around $60 per picul fell to $54 for near forwards; 20' ⅛" to 1" created no interest at the reduced price of $51 per picul for spot.

Tinplate waste, waste, 18"x24", electrolytic, in 200-lb. case, coked, which has been obtained from Singapore since the American embargo, was quoted at the increased price of $345 per 200 lbs. Tinplate waste ends, electrolytic, in 200-lb. case, had a few transactions at $280 per 200 lbs., but sellers would not enter into business on any large scale at this price. Misprint tinplate waste, waste, sold at $180 per picul for 1st qual., while black lacquered was quoted at $170 per picul.

Industrial Chemicals

The industrial chemicals market was fairly active with dealers from China in-

China Emporium	9¼
Sun Co., Ltd.	2.10
Kwong Sang Hong	92
Wing On (H.K.)	80
Wm. Powell, Ltd.	7
MISCELLANEOUS	
China Entertainments	10½
International Films	1
H.K. Constructions (O)	2
" (N)	1
Vibro Pilings	8¼
Marsman, Investments	9/-
Marsman, (H.K.)	.75
S'hai Loan	.95
S'hai Explor	.15
Yangtszes	2.80
COTTONS	
Ewos	2½
RUBBER COMPANIES	
Alma Estates	18
Anglo-Dutch	.80
Anglo-Javas	.45
Batu Anams	.65
Bute Plantations	3.20
Chemor United	.75
Cheng Rubbers	.65
Consolidated Rubber	3.60
Dominion Rubbers	4
Java-Consolidateds	.20
Kota Bahroe	2.30
Kroewoek Javas	.35
Langkats	.80
Padang Rubbers	1¾
Repah Rubbers	.32½
Ayer Tawah	4
Rubber Trusts	3.30
Samagaga Rubbers	75
Semambu Rubbers	.65
Shanghai Kedahs	8
Shanghai-Malays	13
Shanghai Kelantans	85
Shanghai Pahang	2 10
Shanghai Sumatras	7
Sua Manggis	.07½
Sungala	1.70
Sungei Duris	.4½
Tanah Merahs	1¾
Tebong Rubbers	.27
Ziangbe Rubbers	1.20

STAR FERRY COMPANY, LTD.

At the annual meeting of the Star Ferry Co. Ltd., held last week, it was shown that a profit of $1,789,952 was made during the year. A dividend of $9 per share tax free was declared.

The chairman in his review of the year, stated that so far as traffic was concerned 1950 was a record year, over 38.5 million passengers having been carried. To meet this load the service had been speeded up, but the fleet of six vessels was being taxed to the utmost to provide as good a service as it is possible to maintain from existing piers. There was no immediate prospect of any improvement in this respect, but a new pier will be available in Kowloon in two years' time and in Hongkong in three years. The construction of new ferry piers merits the highest priority The fleet was old and a new building programme should be drawn up at the earliest possible moment, but until the new pier design is known and the franchise terms have been settled nothing can be done.

At present the Company maintains an average of 380 crossings on an ordinary working-day and a total of 137,500 per annum. When all six launches are available, a four-minute service is maintained during the rush hours. Once adequate terminals are provided, with the addition of two more launches it is estimated that efficient cross-harbour transportation will be available to meet any demand likely to be made upon it for many years to come.

At a special meeting of the Company called to consider a report on the negotiations with the Hongkong Government in regard to the terms of the proposed new franchise the following resolution was passed unanimously: "That the terms of the draft Star Ferry Company Ordinance now before the meeting relating to payment of a royalty on the gross monthly receipts and the compulsory purchase of the undertaking by Government was not acceptable to the Company and that the Government be informed accordingly."

A resolution later put forward, authorising the Directors to inform the Government that shareholders are prepared to consider a franchise in which royalty is based on net profits with the option of purchase on a fair valuation and empowering them to negotiate accordingly and to go up to a maximum royalty of 25 percent of net profits, was also unanimously carried.

HONG KONG TELEPHONE COMPANY, LTD.

At the twenty-second ordinary yearly meeting of shareholders of the Hongkong Telephone Company, Ltd., held on May 18th it was shown that a profit of $1,989,343 was made on the past year's working which ended December 31, 1950. After adding $106,572 overprovided in past years and $1,348,122 brought forward from 1949, less $92,577 allocated to Capital Reserve, a balance of $3,351,461 was shown which the Directors recommended should be dealt with as follows: To pay a dividend of $1 20 per "Old Share" free of tax $899,841; to pay a dividend of 30 cents per "New Share" free of tax $225,000, leaving $2,226,619 to be carried forward to the new account.

The Working Account showed an increase over the previous year of $897,556. Other revenue of Profit and Loss Account is lower by $535,275 as 1949 included a non-recurring item, namely, profit on exchange amounting to $500,059. The main features to charges to the Profit and Loss Account are increases in depreciation $327,733; Corporation Profits tax $104,404 and Sundries $2,427. A decrease is shown in royalties to Government of $311,594 because of the increase in capital, bringing the net result of an increase in the net profit of the Company over 1949 to $239,302.

Dealing with the question of increased capital, the Chairman said that at an extraordinary meeting of the Company held on May 31, 1950, the authorised capital was increased to $19 million from $7.5 million. In agreeing to this increase Government stipulated that only $7.5 million should be issued in 1950 and that the remaining $4 million should not be issued without the covering approval of Government. Accordingly, 750,000 shares of $10 each were offered to shareholders at par and, in spite of misgivings and uncertainties caused by the state of the financial market at that time, the issue was fully subscribed. The result is reflected in the much improved (although not yet entirely satisfactory) cash position disclosed in the Balance Sheet if December 31st, 1950

The Chairman pointed out that the year was one of negotiating and planning rather than great development; 1,066 direct lines were connected and 1,277 extensions—a total of 2,332 stations. In speaking of the subscription rates, the Chairman stressed that it is difficult to compare the Company's rates with those in other parts of the world, as elsewhere the message rate is generally used, but the management claims that the present rate is only 50% higher than the pre-war charge.

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evidence, although according to information received the import duty rates to the mainland have been increased.

Crown brand quebracho extract after showing an improvement in price to $1.67 per lb., declined at the close to $1.65; Horse Head brand was transacted at $1.45 per lb. and Optimus brand at $1.34 per lb. Zinc chloride was in good demand and sellers of the Belgian product demanded $3700 per ton; however, later the price dropped to $3600 per ton. German zinc chloride improved to $3400 per ton. Ammonia chloride, which was the most active item, had sales at $1800 and later at $1850 per ton for Red Moon brand (ICI). Vaseline was in demand, and USA yellow vaseline in 400-lb. drums improved in price to $1.22 per lb. later being offtred at $1.25 per lb. The Dutch product also was of interest and prices ranged from $1.13 to $1.20 per lb. Dutch vaseline, white, in 380-lb. drums was transacted at $1.60 per lb. Another item in demand was caustic soda (USA) in 700-lb. drums which sold at around $407 per drum, the price improving later with increased sales to $415 per drum. ICI Red Moon bicarbonate of soda, refined, in 100-kilo packing changed hands at $87 per bag and later declined to $83 per bag; the French product stood at $70 per bag. Acid acetic glacial of Dutch origin in 20-kilo carboy was traded at $1.65 per lb. for spot and $1.57 per lb. forward. Dutch sodium hydrosulphite was transacted at $1180 per picul and also at $1200 per picul.

China Produce

With the exception of teaseed oil, which remained dull, most vegetable oils on the local market were in brisk demand with rising prices. Buying offers for woodoil (tung oil) having increased in Europe as a result of the strong demand, rates were raised in Canton, and this increase was also reflected in Hongkong. Limited stocks, however, made it difficult for local exporters to cope adequately with large orders from abroad. At the close the indent price of woodoil rose to $280/$305 per long ton c. & f. Europe; unprocessed woodoil (without drums) was sold on the local market at $258 per picul and closed at $265 per picul. Aniseed oil was in demand from Europe, buying offers rising to 11s. 2d. per lb. and with low stocks limiting transactions the price on the local market rose to $1280 per picul for unrefined quality; at the close stockholders increased their rates to $1300 for unrefined and $1350 for export quality. Cassia oil was slow, but sellers maintained prices at $2400 per picul for the unprocessed quality and $2450 for export quality. A wide difference between the selling and buying price of teaseed oil prevented much business: sellers asked $265 per picul but buyers refused to give more than $250 per picul.

Plentiful arrivals and little export demand led to a weak market in cassia lignea the price f.o.b. of the 1-cwt bale (West River) 1st qual., new, falling to $85 per picul, and of the 80-lb bale to $83 per picul, while loose packing, new, dropped to $72. Interest was lacking in aniseed star, Nanning, 1st qual., the price of which fell to $145 per picul, while Honan 2nd qual. had a few sales at $42 per picul. Rosin also fell, 1st qual. selling at $57 per picul and medium quality at $52. Ramie, being in demand by Japanese traders, was an exception to the general trend: green ramie sold at $283 and white ramie at $285 per picul, a new record

Commercial Notes

Shell Company of China

In compliance with a directive issued by the Peiping government, as from April 30 all installations and oil stocks of the Shell Company of China were taken over in Shanghai, Canton, Foochow, Swatow and Nanking.

In Shanghai the takeover was carried out by the Shanghai Military Control Council; in Canton it was effected by the municipal government acting jointly with the military authorities.

The Asiatic Petroleum Company in Canton has been notified to submit a detailed inventory of its oil stocks and assets.

Manchurian Industries

Details published by the Soviet Ministry of Foreign Trade in Moscow show that the production of open hearth steel in Manchuria for 1950 was 4.5 times that of 1949 and of electric steel almost five times that of 1949. Both types of steel showed an output of 100,000 tons for 1949, which would make the Manchurian production of steel for 1950 at least 450,000 tons, as against the output planned by the government for 1950 of 540,000 tons. In 1936, before the war with Japan, steel production had reached 1 million tons.

Production of pig iron in 1950 was 4.2 times that of 1949, or approximately that of the planned figure of 720,000 tons, the actual output in 1949 being 172,000 tons. Pig iron output in 1936 prior to the war with Japan reached 1.3 million tons; in 1947 output was only 40,000 tons.

Coal output was originally planned at 17 million tons for 1950 as against 11 million tons in 1949, but no figure is given for actual production in 1950. In 1936 the output of coal was 41 million tons.

U.S. Trade with Taiwan

Exports to Taiwan from the United States in February 1951 rose to US$7.4 million as compared with $2 million in January and a monthly average of $1.9 for 1950.

U.S. Trade with China

Exports from the United States to China have now ceased as a result of the embargo. Imports into the U.S. from that country, however, amounted to $5 7 million in February, or less than half the imports in January which totalled $12.6 million or the monthly average of $12.1 million for 1950. These imports were covered by old contracts which will not be renewed.

Japan's Far Eastern Trade

Exports from Japan during January/February 1951 showed Hongkong as first in the list with purchases amounting to US$15,248,961. These consisted of rayon fabric to the value of $4.38 million, cotton fabric goods amounting to $3.07 million, and fish and shellfish valued at $1.6 million.

Exports to Pakistan came second with $12.39 million, composed mainly of textile products.

Imports from Hongkong amounted only to $477,012 during the first two months of 1951.

Imports from Pakistan totalled $15.78 million, consisting principally of raw cotton.

Japan's Tourist Industry

The volome of tourist traffic to Japan during 1950 showed an increase of 39% over that of 1949. During the year 21 339 tourists entered Japan and spent an estimated total of $9 95 million, or $456 per capita.

These figures cover virtually all tourists entering Japan irrespective of the period of stay or points of entry, with the sole exception of the Armed Forces personnel and permanent or semi-permanent residents.

The hostilities in Korea which broke out in June 1950 and extended throughout the second half of the year, did not affect Japan's tourist trade to such an extent as had at first been forecast, as is clear from the following table:

	Tourists entering Japan	Tourist Expenditure (000 omitted)
1947	549	634
1948	6,310	3 445
1949	15,283	7 709
1950	21,339	9,946

HONGKONG'S PRINCIPAL TRADING PARTNERS

IN OCTOBER 1950

In the following pages are given details of the trade carried on between Hongkong and its principal trading partners during the month of October 1950, and below is given an outline of some of the most important items concerned in these transactions. (For September figures refer to the Review of April 19, No. 16).

Values are in HK dollar millions ($16 to £ and $5.80 to US$). Imports refer to imports into Hongkong and exports to goods despatched abroad. Values are in HK dollar millions. Figures in brackets refer to September's trade.

United Kingdom

	Oct.	Sept.
Imports	$26.60	($32.94)
Exports	$ 8.11	($11.91)
Import Excess	$18.49	($21.03)

Main imports: Chemicals & pharmaceutical products $4.96 (Sept. $3.57); textile fabrics & small wares $3.69 ($5.66), yarns & threads $1.82 ($2.67), clothing & underwear of textile materials $997,200 ($1.24); iron & steel $1 23 ($1.79); non-ferrous base metals $2.06 ($1.72); electrical machinery & apparatus $2.14 ($2 54); machinery $1.36 ($3 31); vehicles & transport equipment $1.07 ($1.19); manufactures of base metals $1.16 ($1 31).

Main exports: Vegetable oils $2 08 ($5.01); textile fabrics & small wares $1.36 ($1.21); miscellaneous crude or simply prepared products $870,600 ($1.23). Exports of silver were nil ($1.04).

China, Central

Imports	$17.07	($25 23)
Exports	$41.54	($33 27)
Export Excess	$24.47	($ 8.04)

Main imports: Sugar $9.64 ($18.67); textile fabrics & small wares $1.93 ($1.82); tea $833,700 ($1.63).

Main exports: Fertilizers $5.78 ($6.33) yarns & threads $1.55 ($541,100), textile fabrics & small wares $5.56 ($3.87), made-up textile materials other than clothing $1.72 ($89.400); feeding stuffs for animals $2.18 ($2.32); oilseeds, nuts & kernels $1.73 ($723,900); oils & fats $1.34 ($914,000); chemicals & pharmaceuticals $3.48 ($3.56); rubber $1.06 ($1.07); iron & steel $1.29 ($1.08).

China, North

Imports	$31.99	($29.52)
Exports	$9 50	($74.18)
Export Excess	$58.51	($44.66)

Main imports: Textile fabrics & small wares $6.1 ($5.27), made-up articles of textile materials other than clothing $886.900 ($1.02), textile materials raw or simply prepared $774.900 ($1.29); dairy products $1.86 ($1.58); manufactured products of cereals $1.54 ($607,000); vegetables $3.14 ($2.87); feeding stuffs for animals $1.55 ($1.75); oilseeds, nuts & kernels $4 95 ($3.87); vegetable oils $1.2 ($2.38); chemicals & pharmaceuticals $1.98 ($1.79); miscellaneous crude or simply prepared products $2.93 ($1.96).

Main exports: Sugar & sugar confectionery $13.31 ($6.99); chemicals & pharmaceuticals $10.37 ($8.97); dyes $3.53 ($4.73); rubber $28.88 ($7.79); oils & fats $1.02 ($48,600); paper $1.24 ($1.98); textile materials, raw or simply prepared $8.66 ($22.51), yarns & threads $923,800 ($87,000), made-up articles of textile materials other than clothing $2.78 ($1.05); iron & steel $6.93 ($6 62); non-ferrous base metals $2.77 ($4.49); manufactures of base metals $1.05 ($1.08); machinery $3 09 ($1.87); electrical machinery $860,700 ($787.000); vehicles & transport equipment $1.54 ($1.55); manufactured articles $894,000 ($1.16).

China, South

Imports	$40.14	($54.72)
Exports	$64.21	($66.41)
Export Excess	$24.07	($11.69)

Main imports: Vegetable oils $15.11 ($23.23); live animals $3.04 ($3 24); eggs $1.5 ($2 11); cereals $2.76 ($3.88); vegetables $3 8 ($3.55); textile materials, raw or simply prepared $2.47 ($2 49); miscel. crude or simply prepared products $3.38 ($5.29); manufactured articles $1.14 ($851,000).

Main exports: Chemicals & pharmaceuticals $11.83 ($14.98); dyes $6 39 ($6.82); rubber $11.88 ($24.19); products for heating, lighting, etc. $891,000 ($397.600); ores $13.2 (nil); iron & steel $5.77 ($6.61); non-ferrous base metals $6 62 ($2.08); manufactures of base metals $1.07 ($1 71); vehicles & transport equipment $934,400 ($1 14); manufactured articles n.e.s. $911,700 ($979,800).

Macao

Imports	$ 8.46	($ 9 33)
Exports	$12 75	($14 86)
Export Excess	$ 4.29	($ 5.53)

Main imports: Vegetables $1.21 ($1.13); manufactured articles n.e.s. $2.03 ($2.75)

Main exports: Chemicals & pharmaceuticals $2.18 ($1.95); fertilizers $1.58 ($1.66); textile fabrics & small wares $745,900 ($677,500); tobacco $740,900 ($752.500).

Malaya

Imports	$54.21	($44.36)
Exports	$65.55	($60.70)
Export Excess	$11.34	($12.34)

Main imports: Rubber $39.9 ($38 94); textile fabrics & small wares $4.53 ($1.22); oils & fats $1.55 ($546,000); made-up articles of textile materials $1.04 (nil); non-ferrous base metals $1.01 ($214.800); miscel. crude or simply prepared products $879,700 ($991,800).

Main exports: Fishery products $2.28 ($1.8); fruits & nuts $2.44 ($1.25); vegetables $3.87 ($2.67); sugar $3.41 ($1.91); chemicals & pharmaceuticals $1.74 ($1.3); tobacco $922,700 ($1.52); dyes $743,000 ($380,000); paper $2.35 ($1.63); textile fabrics & small wares $13.43 ($15.62); clothing & underwear of textile materials $8.82 ($7.55), made-up articles of textile materials $1.39 ($1.08); manufactures of base metals $2.7 ($3.33); miscel. crude or simply prepared products $2.15 ($2.37); manufactured articles $9.31 ($8.65).

Japan

Imports	$40.78	($25.88)
Exports	$16.28	($10.31)
Import Excess	$24.50	($15.57)

Main imports: Fishery products $2.87 ($2.16); vegetables $957,000 ($1.47); tea & spices $1.5 ($337,500); dyes $1.27 ($429,400); fertilizers $2.37 ($1.36); paper $954,800 ($459,800); textile fabrics & small wares $17.46 ($11.66), clothing & underwear of textile materials $999,400 ($411,000); iron & steel $5.85 ($1.3); manufactured articles $1.02 ($849,600).

Main exports: Vegetable oils $1.11 ($6,100); hides $1.17 ($1.34); textile materials, raw or simply prepared $1.64 ($2.05), yarns & threads $3.52 ($1.9), textile fabrics & small wares $5.42 ($1.97).

Thailand

Imports	$15.37	($24.07)
Exports	$ 5.33	($ 9.56)
Import Excess	$10.04	($14.51)

Main imports: Cereals $11.03 ($18.22); oils & fats $978,400 ($1.15); hides & leather $607,400 ($1.55).

Main exports: Textile fabrics & small wares $1.46 ($3.2); products for heating & lighting $1.01 ($586,600).

Indonesia

Imports	$10.90	($ 6.21)
Exports	$14.48	($13.04)
Export Excess	$ 3.58	($ 6.83)

Main imports: Chemicals & pharmaceuticals $2.01 ($1.09), products for heating & lighting $6.56 ($3.39); miscel, crude or simply prepared products $1.36 ($856,500).

Main exports: Paper $1.17 ($1.08) yarns & threads $1.63 ($1.2), textile fabrics & small wares $4.27 ($6); clothing & underwear $2.55 ($1.5); manufactures of base metals $1.41 ($938,400); manufactured articles $1.42 ($1.08).

HONGKONG'S PRINCIPAL TRADING PARTNERS

TOTAL VALUES OF IMPORTS & EXPORTS BY COUNTRIES FOR OCTOBER, 1950

UNITED KINGDOM

Articles	Imports $	Exports $
Meat & preparations thereof	55,833	—
Dairy products, eggs and honey	7,163	22,482
Fishery products, for food	66,134	—
Cereals	5,700	—
Manufactured products of cereals, chiefly for human food	176,942	—
Fruits & nuts, except oil-nuts	26,823	7,200
Vegetables, roots and tubers, chiefly used for human food and their preparations, n e.s.	56,623	244,234
Sugar and sugar confectionery	84,320	—
Coffee, tea, cocoa and preparations thereof; spices	414,443	551,599
Beverages & vinegars	465,307	—
Tobacco	796,272	—
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	32,514	2,077,281
Chemical elements & compounds; pharmaceutical products	4.962,208	467,920
Dyeing, tanning and colouring substances (not including crude materials) ..	998,537	39,105
Essential oils, perfumery, cosmetics, soaps and related products	130,531	147,180
Rubber & manufactures thereof, n.e.s.	248,558	—
Wood, cork & manufactures thereof ..	26,655	—
Pulp, paper & cardboard & manufactures thereof	578,380	6,040
Hides and skins and leather	19,034	610,978
Manufactures of leather, not including articles of clothing	9,265	—
Textile materials, raw or simply prepared	—	43,220
Yarns and threads ..	1,815,190	—
Textile fabrics and small wares	3,691,185	1,361,341
Special and technical textile articles	325,060	—
Clothing and underwear of textile materials; hats of all materials	997,211	406,826
Clothing of leather and fur	41,095	—
Footwear: boots, shoes and slippers	85,132	389,630

Philippines

Imports	$ 3.31	($ .75)
Exports	$11.55	($ 9.48)
Export Excess	$ 8.24	($ 8.73)

Main Imports: Iron & steel $2.86 (nil).

Main exports: Textile fabrics & small wares $4.05 ($3.67), clothing & underwear $751,700 ($510,000); products for heating & lighting $2.08 (nil); dairy products, eggs $714,600 ($1.03).

U. S. A.

Imports	$51.17	($49.82)
Exports	$39.75	($33.50)
Import Excess	$11.42	($16.32)

Main imports: Fruits & nuts $3.85 ($2.63); fishery products $1.28 ($739,800); tobacco $2.85 ($4.49); chemicals & pharmaceuticals $17.58 ($14.8); dyes $2.39 ($1.19); paper $1.25 ($1.08); textile fabrics & small wares $2.58 ($1.55); iron & steel $1.87 ($2.08); manufactures of base metals $1.27 $1.25); machinery $1.52 ($2 59); electrical machinery $967,000 ($1 06); vehicles & transport equipment $1.26 ($832,000); manufactured articles n.e.s. $4.39 ($5.46).

Main exports: Vegetable oils $12 49 ($14.92); essential oils, etc. $1.01 ($429,000); textile fabrics & small ware $3.7 ($2.81); textile materials, raw or simply prepared $960,600 ($318,000); miscel. crude or simply prepared products $13.55 ($7 08); manufactured articles n.e.s. $3.51 ($3.53).

OTHER COUNTRIES

Below are given details of Hongkong's trade with some of the countries not included in the accompanying tables:

Australia. Imports $5.91 ($4.04), exports $4 39 ($1.87). Main imports: Chemicals & pharmaceuticals $1.52 ($558,500); meat $725,700 ($1.29). Main exports: Textile fabrics & small ware $991,600 ($519,000).

Czechoslovakia. Imports $717,900 ($362,000), exports nil. Main import of paper $37,300 ($97,500); chemicals & pharmaceuticals $187,000 ($70,900).

Germany. Imports $4 3 ($2.86), exports $6.29 ($9.04). Main imports: Dyes $2 12 ($709,000); iron & steel $674,000 ($848,700); chemicals & pharmaceuticals $625,800 ($338,000) Main exports: Eggs $1.6 ($1.62); vegetable oils $1.74 ($764,000); miscel. crude or simply prepared products $1 46 ($1.79)

Netherlands. Imports $4.96 ($3.13), exports $3.17 ($5 26). Main imports: Dairy products $1 5 ($1.12); chemicals & pharmaceuticals $1.18 ($680,000); non-ferrous base metals $841,000 ($21,000). Main exports: Vegetable oils $1.78 ($2 29); oilseeds, nuts & kernels $346,500 ($1.92).

Switzerland. Imports $7 57 ($6.4), exports $324,700 ($47,000). Main imports: Manufactured articles $5 83 ($4.87); chemicals & pharmaceuticals $637.300 ($361,600); dyes $958,700 ($852,900). Main exports: Textile fabrics & small wares $214,500 ($9,000).

Made-up articles of textile materials other than clothing	59,662	—
Products for heating, lighting & power, lubricants & related products, n.e.s. ...	204,421	—
Non-metallic minerals, crude or simply prepared, n.e.s.	53,828	—
Pottery & other clay products	76,640	—
Glass & glassware ..	34,091	9.000
Manufactures of non-metallic minerals, n e.s.	199,540	6,496
Precious metals and precious stones, pearls & articles made of these materials	73,152	—
Iron and steel	1,226,161	—
Non-ferrous base metals	2,064,201	93,314
Manufactures of base metals, n.e s. ..	1,155,813	262,466
Machinery, apparatus & appliances other than electrical, n.e.s.	1,355,967	—
Electrical Machinery, apparatus and appliances	2,142,885	89,943
Vehicles & transport equipment, n.e s.	1,072,650	4,000
Miscellaneous crude or simply prepared products, n.e s. ..	2,112	870,550
Manufactured articles, n e.s.	764,628	397,858
Total	26,601,870	8,108,693

CEYLON

Articles	Imports $	Exports $
Fishery products, for food	—	42
Manufactured products of cereals chiefly for human food	—	35
Fruits & nuts, except oil-nuts	10,140	1,436
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	116,161
Coffee, tea, cocoa and preparations thereof; spices	293,771	55
Chemical elements & compounds; pharmaceutical products	—	6,388
Manufactures of leather, not including articles of clothing	—	4,530
Textile materials, raw or simply prepared	2,642	—
Textile fabrics and small wares	—	302,248
Footwear: boots, shoes and slippers	—	11,225
Pottery & other clay products	—	396
Glass & glassware ..	—	2,095
Manufactures of base metals, n.e.s.	—	241,206
Electrical Machinery, apparatus and appliances	—	21,611
Vehicles & transport equipment, n.e.s. ..	—	25,830
Miscellaneous crude or simply prepared products, n.e.s.	—	3,438
Manufactured articles, n.e.s.	—	80,695
Total	306,553	1,116,021

INDIA

Articles	Imports $	Exports $
Dairy products, eggs and honey	—	90
Fishery products, for food	41,320	590
Manufactured products of cereals chiefly for human food	—	800
Fruits & nuts, except oil-nuts	87,531	1,775
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	3,039	238,597
Coffee, tea, cocoa and preparations thereof; spices	550	—
Tobacco	21,520	—
Oil-seeds, nuts and kernels	—	1,997
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	127,750	38,058
Chemical elements & compounds; pharmaceutical products	—	78,123
Dyeing, tanning and colouring substances (not including crude materials) ..	634,157	1,120
Essential oils, perfumery, cosmetics, soaps and related products	31,265	—
Rubber & manufactures thereof, n.e.s.	48,000	3,300
Wood, cork & manufactures thereof ..	5,630	120
Pulp, paper & cardboard & manufactures thereof	—	162,480
Textile materials, raw or simply prepared	—	1,286,784
Yarns and threads ..	2,614,580	9,206
Textile fabrics and small wares	2,536,544	19,339
Special and technical textile articles	44,037	—
Footwear: boots, shoes and slippers	—	4,500
Made-up articles of textile materials other than clothing	854,680	—
Products for heating, lighting & power, lubricants & related products, n.e.s.	971.460	—
Glass and glassware	—	1,220
Manufactures of non-metallic minerals, n.e.s.	—	100
Precious metals and precious stones, pearls & articles made of these materials	5,330	30,300
Manufactures of base metals, n.e.s.	480	232,552
Machinery, apparatus & appliances other than electrical, n.e.s.	1,000	332,174
Electrical Machinery, apparatus and appliances	—	1,810
Miscellaneous crude or simply prepared products, n.e.s.	150,744	318,674
Manufactured articles, n.e.s.	3,501	16,040
Total	8,183,118	2,779,749

MALAYA

Articles	Imports $	Exports $
Meat & preparations thereof	1,537	358,042
Dairy products, eggs and honey	—	679,093
Fishery products, for food	147,495	2,285,356
Cereals	13,072	10,271
Manufactured products of cereals, chiefly for human food	61,690	501,513
Fruits & nuts, except oil-nuts	31,954	2,443,451
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	82,535	3,873,675
Sugar and sugar confectionery	—	3,411,645
Coffee, tea, cocoa and preparations thereof; spices	354,500	614,796
Beverages & vinegars	12,000	721,492
Feeding stuffs for animals, n.e.s.	323,750	318,291
Tobacco	—	922,687
Oil-seeds, nuts and kernels	8,060	268,830
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	1,552,395	251,026
Chemical elements & compounds; pharmaceutical products	563,895	1,738,763
Dyeing, tanning and colouring substances (not including crude materials) ..	226,765	743,052
Essential oils, perfumery, cosmetics, soaps and related products	394,172	602,100
Rubber & manufactures thereof, n.e.s.	39,896,831	8,381
Wood, cork & manufactures thereof ..	515,779	92,860

Pulp, paper & cardboard & manufactures thereof	93,070	2,348,993
Hides and skins and leather	206,326	12,525
Manufactures of leather, not including articles of clothing	2,100	699,997
Textile materials, raw or simply prepared	90,000	—
Yarns and threads ..	579,269	355,775
Textile fabrics and small wares	4,526,425	13,427,895
Special and technical textile articles	—	561,519
Clothing and underwear of textile materials; hats of all materials	9,267	8,816,702
Footwear: boots, shoes and slippers	3,995	28,423
Made-up articles of textile materials other than clothing	1,035,710	1,394,298
Products for heating, lighting & power, lubricants & related products, n.e.s.	214,896	57,880
Non-metallic minerals, crude or simply prepared, n.e.s. ...	34,313	299,270
Pottery & other clay products	2,200	161,226
Glass and glassware	—	334,782
Manufactures of non-metallic minerals, n.e.s.	27,710	32,732
Precious metals and precious stones, pearls & articles made of these materials	—	131,904
Iron and steel	928,619	936,723
Non-ferrous base metals	1,009,452	—
Manufactures of base metals, n.e.s.	151,181	2,702,496
Machinery, apparatus & appliances other than electrical, n.e.s.	3,500	903,691
Electrical Machinery, apparatus and appliances	29,339	627,068
Vehicles & transport equipment, n.e.s. ..	135,000	405,002
Miscellaneous crude or simply prepared products, n.e.s.	879,748	2,149,296
Manufactured articles, n.e.s.	57,400	9,312,699
Total	54,205,950	65,546,170

NORTH BORNEO (British)

Articles	Imports $	Exports $
Meat & preparations thereof	—	8,955
Dairy products, eggs and honey	—	4,273
Fishery products, for food	53,235	14,463
Cereals	—	350
Manufactured products of cereals, chiefly for human food	—	14,623
Fruits & nuts, except oil-nuts	22,227	22,920
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	9,080	38,083
Sugar and sugar confectionery	—	24,056
Coffee, tea, cocoa and preparations thereof; spices	1,200	18,614
Beverages & vinegars	—	141,981
Feeding stuffs for animals, n.e.s.	—	38
Tobacco	—	216,760
Oil-seeds, nuts and kernels	—	766
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	100	7,163
Chemical elements & compounds; pharmaceutical products	—	25,417
Dyeing, tanning and colouring substances (not including crude materials) ..	—	2,487
Essential oils, perfumery, cosmetics, soaps and related products	—	14,569
Rubber & manufactures thereof, n.e.s.	51,548	1,205
Wood, cork & manufactures thereof ..	284,234	14,823
Pulp, paper & cardboard & manufactures thereof	—	38,563
Manufactures of leather, not including articles of clothing	—	49,660
Textile materials, raw or simply prepared	—	08
Yarns and threads ..	—	8,500
Textile fabrics and small wares	—	189,911
Special and technical textile articles	—	14,976
Clothing and underwear of textile materials; hats of all materials	—	102,101
Footwear: boots, shoes slippers	—	1,741
Made-up articles of textile materials othes than clothing	—	24,182
Products for heating, lighting & power, lubricants & related products, n.e.s.	—	56,930
Non-metallic minerals, crude or simply prepared, n.e.s. ...	—	46,896
Pottery & other clay products	—	34,885
Glass and glassware	—	13,924
Manufactures of non-metallic minerals, n.e.s.	—	3,392
Iron and steel	—	46,376
Non-ferrous base metals	—	192
Manufactures of base metals, n.e.s.	—	103,323
Machinery, apparatus & appliances other than electrical, n.e.s.	—	93,928
Electrical Machinery, apparatus and appliances	—	25,177
Vehicles & transport equipment, n.e.s. ..	—	23,340
Miscellaneous crude or simply prepared products, n.e.s. ...	37,270	23,766
Manufactured articles, n.e.s.	—	71,880
Total Merchandise	458,894	1,545,285
Gold and specie ..	—	2,400
Grand Total	458,894	1,547,685

PAKISTAN

Articles	Imports $	Exports $
Fishery products, for food	2,184	—
Chemical elements & compounds; pharmaceutical products	—	23,542
Dyeing, tanning and colouring substances (not including crude materials) ..	—	22,781
Essential oils, perfumery, cosmetics, soaps and related products	—	4,096
Pulp, paper & cardboard & manufactures thereof	—	104,183
Textile materials, raw or simply prepared	6,827,145	112,353
Yarns and threads ..	—	7,760,419
Textile fabrics and small wares	—	1,310,901
Special and technical textile articles	—	8,109
Clothing and underwear of textile materials; hats of all materials	—	198,891
Pottery & other clay products	—	80,300
Manufactures of base metals, n.e.s.	—	107,670
Machinery, apparatus & appliances other than electrical, n.e.s.	—	3,000
Electrical Machinery, apparatus and appliances	—	7,014
Miscellaneous crude or simply prepared products, n.e.s. ...	—	397,430
Manufactured articles, n.e.s.	—	1,176,374
Total	6,829,329	11,317,063

BURMA

Articles	Imports $	Exports $
Manufactured products of cereals, chiefly for human food	—	58,672
Fruits & nuts, except oil-nuts	—	38,335
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	16,000	—
Beverages & vinegars	—	22,470
Tobacco	—	98,991
Chemical elements & compounds; pharmaceutical products	14,280	192,910
Dyeing, tanning and colouring substances (not including crude materials) ..	—	224,456
Rubber & manufactures thereof, n.e.s.	—	8,300
Wood, cork & manufactures thereof ..	—	1,620
Pulp, paper & cardboard & manufactures thereof	—	75,448
Textile materials, raw or simply prepared	4,427,480	—
Textile fabrics and small wares	—	9,870
Clothing and underwear of textile materials; hats of all materials	—	16,389
Footwear: boots, shoes and slippers	—	11,628
Pottery & other clay products	—	38,650
Glass and glassware	—	20,262
Manufactures of base metals, n.e.s.	—	5,964
Machinery, apparatus & appliances other than electrical, n.e.s.	—	27,700
Electrical Machinery, apparatus and appliances	—	2,510
Vehicles & transport equipment, n.e.s. ..	—	16,376
Miscellaneous crude or simply prepared products, n.e.s. ..	29,587	28,287
Manufactured articles, n.e.s.	1,000	83,076
Total	4,488,347	981,914

CHINA, CENTRAL

Articles	Imports $	Exports $
Live animals, chiefly for food	3,000	—
Meat & preparations thereof	2,550	5,320
Dairy products, eggs and honey	78,730	1,011,173
Fishery products, for food	12,395	536,729
Manufactured products of cereals, chiefly for human food	4,000	2,417,083
Fruits & nuts, except oil-nuts	256,995	34,135
Vegetables, roots and tubers, chiefly used for human food and their preparations. n.e.s.	378,161	2,717,440
Sugar and sugar confectionery	9,638,997	146.767
Coffee, tea, cocoa and preparations thereof; spices	833,735	14,740
Beverages & vinegars	77,000	30,500
Feeding stuffs for animals, n.e.s.	1,992	2,180,609
Tobacco	—	298,005
Oil-seeds, nuts and kernels	28,132	1,731,522
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	482,018	1,344,166
Chemical elements & compounds; pharmaceutical products	538,442	3,480,144
Dyeing, tanning and colouring substances (not including crude materials) ..	357,663	843,057
Essential oils, perfumery, cosmetics, soaps and related products	799,454	488,404
Fertilizers	—	5,779,670
Rubber & manufactures thereof, n.e.s.	—	1,063,589
Wood, cork & manufactures thereof ...	20,443	89,666
Pulp, paper & cardboard & manufactures thereof	307,463	609,374
Hides and skins and leather	56,395	233,456
Manufactures of leather, not including articles of clothing	259	1,810
Textile materials, raw or simply prepared	11,900	908,735
Yarns and threads ..	—	1,554,163
Textile fabrics and small wares	1,935,002	5,555,651
Special and technical textile articles	84,554	209,225
Clothing and underwear of textile materials; hats of all materials	65,214	302.622
Footwear: boots, shoes and slippers	—	705
Made-up articles of textile materials other than clothing	60,168	1,716,765
Products for heating, lighting & power, lubricants & related products, n.e s.	328,750	610,884
Non-metallic minerals, crude or simply prepared, n.e.s. ...	—	126,388
Pottery & other clay products	167,765	7,902
Glass and glassware	—	167,751
Manufactures of non-metallic minerals, n.e.s.	928	11,556
Iron and steel	—	1,292,659
Non-ferrous base metals	—	678,334
Manufactures of base metals, n.e.s.	18,595	547,858
Machinery, apparatus & appliances other than electrical, n.e.s.	—	217,846
Electrical Machinery, apparatus and appliances	—	520,891
Vehicles & transport equipment, n.e.s. ..	—	502,811
Miscellaneous crude or simply prepared products, n.e.s.	375,714	919,840
Manufactured articles, n.e.s.	139,793	633,341
Total	17,066,207	41,543,286

CHINA, NORTH

Articles	Imports $	Exports $
Meat & preparations thereof	374,626	185
Dairy products, eggs and honey	1,856,274	—
Fishery products, for food	90,888	187
Cereals	880	—
Manufactured products of cereals, chiefly for human food	1,544,468	—
Fruits & nuts, except oil-nuts	874,769	1,960
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	3,139,703	181,000
Sugar and sugar confectionery	—	13,312,724
Coffee, tea, cocoa and preparations thereof; spices	14,377	185,084
Beverages & vinegars	626,648	872
Feeding stuffs for animals, n.e.s.	1,551,758	—
Tobacco	45,566	294
Oil-seeds, nuts and kernels	4,947,293	—
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	1,196,664	1,021,799
Chemical elements & compounds; pharmaceutical products	1,982,362	10,373,338
Dyeing, tanning and colouring substances (not including crude materials) ..	—	3,525,221
Essential oils, perfumery, cosmetics, soaps and related products	646,440	—
Fertilizer	—	34,800

Rubber & manufactures thereof, n.e.s.	—	28,876,984
Wood, cork & manufactures thereof ..	157,884	—
Pulp, paper & cardboard & manufactures thereof . ..	54,095	1,239,241
Hides and skins and leather	186,900	—
Manufactures of leather, not including articles of clothing	461	3,732
Furs, not made up ..	25,828	—
Textile materials, raw or simply prepared	773,932	8,658,764
Yarns and threads ..	160,375	922,871
Textile fabrics and small wares	6,097,276	225,645
Special and technical textile articles	—	571,119
Clothing and underwear of textile materials; hats of all materials	479,802	24,126
Footwear: boots, shoes and slippers	1,466	—
Made-up articles of textile materials other than clothing	886,881	2,780,101
Products for heating, lighting & power, lubricants & related products, n.e.s.	216,060	189,695
Non-metallic minerals, crude or simply prepared, n.e.s. ...	3,150	451,373
Pottery & other clay products	47,524	7,800
Glass and glassware	20,340	—
Manufactures of non-metallic minerals, n.e s.	216	392,987
Precious metals and precious stones, pearls & articles made of these materials	4,303	—
Iron and steel	106,756	6,926,895
Non-ferrous base metals	240	2,770,452
Manufactures of base metals, n.e.s.	301,435	1,054,967
Machinery, apparatus & appliances other than electrical, n.e.s.	27,480	3,091,049
Electrical Machinery, apparatus and appliances	34,476	860,686
Vehicles & transport equipment, n.e.s ..	—	1,542,294
Miscellaneous crude or simply prepared products, n.e.s.	2,960,414	377,996
Manufactured articles, n.e.s.	554,074	893,755
Total	31,995,084	90,499,996

CHINA, SOUTH

Articles	Imports $	Exports $
Live animals, chiefly for food	3,038,737	—
Meat & preparations thereof	90,379	—
Dairy products, eggs and honey	1,497,230	5,536
Fishery products, for food	138,965	—
Cereals	2,760,437	—
Manufactured products of cereals, chiefly for human food	9,596	39,950
Fruits & nuts, except oil-nuts	756,541	5,080
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	3,799,458	2,610
Sugar and sugar confectionery	8,240	330,911
Coffee, tea, cocoa and preparations thereof; spices	585,140	27,565
Beverages & vinegars	2,750	13,210
Feeding stuffs for animals, n.e.s.	927,013	—
Tobacco	58,160	436,624
Oil-seeds, nuts and kernels	1,305,274	—
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	15,105,304	41,366
Chemical elements & compounds; pharmaceutical products	143,357	11,831,895
Dyeing, tanning and colouring substances (not including crude materials) ..	5,500	6,393,853
Essential oils, perfumery, cosmetics, soaps and related products	345,480	38,742
Fertilizers	18,315	195,810
Rubber & manufactures thereof, n.e.s.	—	11,875,644
Wood, cork & manufactures thereof ..	934,690	52,490
Pulp, paper & cardboard & manufactures thereof ..	319,034	592,897
Hides and skins and leather	443,533	—
Manufactures of leather, not including articles of clothing	—	2,080
Textile materials, raw or simply prepared	2,474,899	132,515
Yarns and threads ..	57,050	117,901
Textile fabrics and small wares	391,143	5,070
Special and technical textile articles	44,947	146,623
Clothing and underwear of textile materials; hats of all materials	10,600	304
Footwear: boots, shoes and slippers	756	1,800
Made-up articles of textile materials other than clothing	69,721	395,078
Products for heating, lighting & power, lubricants & related products, n.e.s.	3.600	891,448
Non-metallic minerals, crude or simply prepared, n.e.s. ..	48,986	68,969
Pottery & other clay products	117,342	13,910
Glass and glassware	2,500	7,510
Manufactures of non-metallic minerals, n.e.s.	1,579	103,915
Precious metals and precious stones, pearls & articles made of these materials	—	760
Ores, slag, cinder ..	—	13,201,200
Iron and steel	—	5,770,291
Non-ferrous base metals	400	6,625,018
Manufactures of base metals, n.e.s.	66,017	1,074,184
Machinery, apparatus & appliances other than electrical, n.e.s.	29,250	699,326
Electrical Machinery, apparatus and appliances	1,700	769,647
Vehicles & transport equipment, n.e.s. ..	—	934,416
Miscellaneous crude or simply prepared products, n.e.,	3,384,160	449,937
Manufactured articles, n.e.s.	1,139,469	911,727
Total	40,137,202	64,207,812

INDOCHINA

Articles	Imports $	Exports $
Fishery products, for food	337,007	54,022
Cereals	3,200	—
Manufactured products of cereals, chiefly for hunman food	7,560	7,875
Fruits & nuts, except oil-nuts	21,345	129,638
Vegetables, roots and tubers, chiefly used and their preparations, n.e.s.	102,825	477,823
Sugar and sugar confectionery	—	4,880
Coffee, tea, cocoa and preparations thereof; spices	24,500	14,870
Beverages & vinegars	—	3,375
Tobacco	—	1,736
Oil-seeds, nuts and kernels	151,671	—
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	158,880	—
Chemical elements & compounds; pharmaceutical products	12,000	23,125
Dyeing, tanning and colouring substances (not including crude materials) ..	—	550
Fertilizers	10,200	—
Wood, cork & manufactures thereof ..	—	436
Pulp, paper & cardboard & manufactures thereof	—	101,509

Hides and skins and leather	99,351	—
Textile materials, raw or simply prepared	93,435	13,000
Textile fabrics and small wares	—	97,043
Clothing and underwear of textile materials; hats of all materials	—	380
Made-up articles of textile materials other than clothing	15,900	—
Products for heating, lighting & power, lubricants & related products, n.e.s.	190,000	52,976
Non-metallic minerals, crude or simply prepared, n.e.s. ...	40,000	—
Pottery & other clay products	—	466
Manufactures of base metals, n.e.s	—	1,930
Machinery, apparatus & appliances other than electrical, n.e.s.	12,000	283,589
Electrical Machinery, apparatus and appliances	—	360
Vehicles & transport equipment, n.e.s. ..	—	20,367
Miscellaneous crude or simply prepared products, n.e.s. ...	436,961	393,705
Manufactured articles, n.e.s.	—	52,041
Total	1,716,835	1,735,696

JAPAN

Articles	Imports $	Exports $
Meat & preparations thereof	108,570	8,200
Dairy products, eggs and honey	—	4,500
Fishery products, for food	2,874,218	4,306
Manufactured products of cereals, chiefly for human food	—	6,840
Fruits & nuts, except oil-nuts	578,725	10,282
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	957,065	70,570
Sugar and sugar confectionery	—	24,650
Coffee, tea, cocoa and preparations thereof; spices	1,498,014	47,781
Beverages & vinegars	63,000	380,099
Tobacco	—	7,461
Oil-seeds, nuts and kernels	—	149,693
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	—	1,108,740
Chemical elements & compounds; pharmaceutical products	647,011	37,404
Dyeing, tanning and colouring substances (not including crude materials) ..	1,267,315	37,509
Essential oils, perfumery, cosmetics, soaps and related products	—	52,621
Fertilizers	2,374,176	—
Rubber & manufactures thereof, n.e.s.	1,888	2,960
Wood, cork & manufactures thereof ..	320,546	96,485
Pulp, paper & cardboard & manufactures thereof	954,831	16,459
Hides and skins and leather	—	1,172,225
Manufactures of leather, not including articles of clothing	—	1,194
Textile materials, raw or simply prepared	125,228	1,636,820
Yarns and threads ..	488,499	3,520,989
Textile fabrics and small wares	17,458,006	5,421,694
Special and technical textile articles	39,110	—
Clothing and underwear of textile materials; hats of all materials	999,338	507,559
Footwear: boots, shoes and slippers	—	28,539
Made-up articles of textile materials other than clothing	47,544	26,837
Products for heating, lighting & power, lubricants & related products, n.e.s.	—	32,072
Non-metallic minerals, crude or simply prepared, n.e.s. ...	180,714	—
Pottery & other clay products	250,565	43,481
Glass and glassware	88,251	1,441
Manufactures of non-metallic minerals, n.e.s.	19,872	—
Precious metals and precious stones, pearls & articles made of these materials	82,592	29,020
Ores, slag, cinder ...	—	306,000
Iron and steel	5,853,535	65,200
Non-ferrous base metals	510,853	—
Manufactures of base metals, n.e.s.	498,291	395,588
Machinery, apparatus & appliances other than electrical, n.e.s.	655,927	6,779
Electrical Machinery, apparatus and appliances	70,357	397
Vehicles & transport equipment, n.e.s. ..	272,267	156,119
Miscellaneous crude or simply prepared products, n.e.s.	470,680	721,923
Manufactured articles, n e.s.	1,024,499	142,842
Total	40,781,487	16,283.279

KOREA, SOUTH

Articles	Imports $	Exports $
Vegetables, roots and tubers, chiefly used for human food & their preparations, n.e.s.	96,667	—
Total	96,667	—

MACAO

Articles	Imports $	Exports $
Live animals, chiefly food	16.910	—
Meat & preparations thereof	96,849	6,887
Dairy products, eggs and honey	447,082	151,243
Fishery products, for food	378,815	219,603
Cereals	337,890	5,329
Manufactured products of cereals, chiefly for human food	21,856	456,799
Fruits & nuts, except oil-nuts	350,841	235,402
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	1,214,383	158,972
Sugar and sugar confectionery	—	422,802
Coffee, tea, cocoa and preparations thereof; spices	90,670	92,609
Beverages & vinegars	426,598	205,013
Feeding stuffs for animals, n.e.s.	14,639	20,962
Tobacco	332,968	740,928
Oil-seeds, nuts and kernels	55,096	95,244
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	92,030	173,401
Chemical elements & compounds; pharmaceutical products	394,825	2,183,390
Dyeing, tanning and colouring substances (not including crude materials) ..	14,731	365,046
Essential oils, perfumery, cosmetics, soaps and related products	12,010	233,922
Fertilizers	32,770	1,577,341
Rubber & manufactures thereof, n.e.s.	189,526	135,403
Wood, cork & manufactures thereof ..	170,930	416,062
Pulp, paper & cardboard & manufactures thereof	112,631	435,399
Hides and skins and leather	119,777	41,946
Manufactures of leather, not including articles of clothing	373	6,803
Textile materials, raw or simply prepared	129.263	263,846

Yarns and threads ..	21,000	204,945
Textile fabrics and small wares	467,856	745,950
Special and technical textile articles	24,912	56,746
Clothing and underwear of textile materials; hats of all materials	23,460	410,846
Clothing of leather and fur	—	660
Footwear: boots, shoes and slippers	60	54,744
Made-up articles of textile materials other than clothing	63,014	37,225
Products for heating, lighting & power, lubricants & related products, n.e.s. ...	62,000	558,302
Non-metallic minerals, crude or simply prepared, n.e s. ..	11,759	15,126
Pottery & other clay products	590	45,952
Glass and glassware	2,803	49,799
Manufactures of non-metallic minerals, n.e.s.	8,344	14,276
Ores, slag, cinder ...	14,994	—
Iron and steel	15,338	218,123
Non-ferrous base metals	3,300	114,240
Manufactures of base metals, n.e.s.	73,246	331,616
Machinery, apparatus & appliances other than electrical, n.e.s.	9,260	208,805
Electrical Machinery, apparatus and appliances	12,493	163,456
Vehicles & transport equipment, n.e.s. ..	142,278	168,714
Miscellaneous crude or simply prepared products, n.e.s.	424,155	157,805
Manufactured articles, n.e.s.	2,028,144	549,204
Total Merchandise	8,462,469	12,750,886
Gold and specie ..	231,084	—
Grand Total	8,693,553	12,750,886

PHILIPPINES

Articles	Imports $	Exports $
Live animals, chiefly for food	—	360
Meat & preparations thereof	—	189,710
Dairy products, eggs and honey	—	714,591
Fishery products, for food	—	51,686
Manufactured products of cereals, chiefly for human food	—	228,644
Fruits & nuts, except oil-nuts	18,150	72,253
Vegetables, roots and tubers, chiefly used for human food and their preparations, n e.s.	—	621.050
Sugar and sugar confectionery	—	30,820
Coffee, tea, cocoa and preparations thereof; spices	—	412,362
Beverages & vinegars	—	4,347
Tobacco	39,441	—
Oil-seeds, nuts and kernels	—	82,431
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	23,740	20,647
Chemical elements & compounds; pharmaceutical products	—	390,515
Dyeing, tanning and colouring substances (not including crude materials) ..	—	9,409
Essential oils, perfumery, cosmetics, soaps and related products	—	23,693
Rubber & manufactures thereof, n.e.s.	—	6,180
Wood, cork & manufactures thereof ..	164,127	56,155
Pulp, paper & cardboard & manufactures thereof	2,000	233,424
Hides and skins and leather	—	38,019
Manufactures of leather, not including articles of clothing	—	4,695
Textile materials, raw or simply prepared	37,916	30,000
Yarns and threads ..	—	124,650
Textile fabrics and small wares	—	4,054,357
Special and technical textile articles	169,000	580
Clothing and underwear of textile materials; hats of all materials	—	751,748
Footwear: boots, shoes and slippers	—	630
Made-up articles of textile materials other than clothing	—	128,460
Products for heating, lighting & power, lubricants & related products, n.e.s. ...	—	2,084,130
Non-metallic minerals, crude or simply prepared, n.e.s. ...	—	68,888
Pottery & other clay products	—	59,359
Glass and glassware	—	19,786
Iron and steel	2,860,000	—
Manufactures of base metals, n.e.s.	—	543,461
Machinery, apparatus & appliances other than electrical, n.e.s.	—	42,740
Electrical machinery, apparatus and appliances	—	27,968
Vehicles & transport equipment, n.e.s. ..	—	31,034
Miscellaneous crude or simply prepared products, n.e.s.	—	56,744
Manufactured articles, n.e.s.	400	332,421
Total	3,314,774	11,547,947

THAILAND

Articles	Imports $	Exports $
Meat & preparations thereof	37,000	—
Dairy products, eggs and honey	—	3,330
Fishery products, for food	671,660	96,949
Cereals	11,030,267	—
Manufactured products of cereals, chiefly for human food	15,508	14,900
Fruits & nuts, except oil-nuts	39,430	112,420
Vegetables, roots & tubers, chiefly used for human food & their preparations, n.e.s.	276,275	272,563
Sugar and sugar confectionery	68,953	21,078
Coffee, tea, cocoa and preparations thereof; spices	8,100	62,568
Beverages & vinegars	—	6,890
Feeding stuffs for animals, n.e.s.	—	1,060
Oil-seeds, nuts and kernels	322,392	3,520
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	978,435	14,450
Chemical elements & compounds; pharmaceutical products	82,555	199,240
Dyeing, tanning and colouring substances (not including crude materials) ..	32,595	310,123
Essential oils, perfumery, cosmetics, soaps and related products	—	13,344
Rubber & manufactures thereof, n.e.s.	50.450	640
Wood, cork & manufactures thereof ..	379,217	8,360
Pulp, paper & cardboard & manufactures thereof	25,640	37,747
Hides and skins and leather	607,423	24,387
Manufactures of leather, not including articles of clothing	—	3,004
Textile materials, raw or simply prepared	89.113	19,460
Yarns and threads ..	—	4,410
Textile fabrics and small wares	—	1,463,728
Special and technical textile articles	—	9,816
Clothing and underwear of textile materials; hats of all materials	—	400,605
Clothing of leather and fur	—	3,280
Footwear: boots, shoes and slippers	—	90
Made-up articles of textile materials other than clothing	—	92,015

Products for heating, lighting & power, lubricants & related products, n.e.s. ...	—	1,012,849
Non-metallic minerals, crude or simply prepared, n.e.s. ...	146,898	2,880
Pottery & other clay products	—	88,826
Glass and glassware	—	23,753
Manufactures of non-metallic minerals, n.e.s.	—	4,030
Precious metals and precious stones, pearls & articles made of these materials	64,000	1,604
Iron and steel	—	32,667
Non-ferrous base metals	—	600
Manufactures of base metals, n.e.s.	23,500	369,821
Machinery, apparatus & appliances other than electrical, n.e.s.	—	65,460
Electrical machinery, apparatus and appliances	—	113,312
Vehicles & transport equipment, n.e.s. ..	1,500	11,139
Miscellaneous crude or simply prepared products, n.e.s. ...	424,436	110,131
Manufactured articles, n.e.s.	—	296,954
Total Merchandise	15,375,347	5,534,003
Gold and specie ..	—	553,184
Grand Total	15,375,347	5,887,187

U. S. A.

Articles	Imports $	Exports $
Meat & preparations thereof	21,540	103,269
Dairy products, eggs and honey	989,141	40,758
Fishery products, for food	1,279,463	240,580
Cereals	698	—
Manufactured products of cereals, chiefly for human food	253,272	57,710
Fruits & nuts, except oil-nuts	3,854,041	257,411
Vegetables, roots & tubers, chiefly used for human food & their preparations, n.e.s.	414,981	536,270
Sugar and sugar confectionery	175,316	11,081
Coffee, tea, cocoa & preparations thereof; spices	423,349	644,100
Beverages & vinegars	77,185	14,710
Feeding stuffs for animals, n.e.s.	—	120
Tobacco	2,849,263	3,140
Oil-seeds, nuts and kernels	—	114,668
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	40,305	12,494,823
Chemical elements & compounds; pharmaceutical products	17,577,777	74,057
Dyeing, tanning and colouring substances (not including crude materials) ..	2,389,990	1,943
Essential oils, perfumery, cosmetics, soaps and related products	723,046	1.011,486
Fertilizers	557,286	—
Rubber & manufactures thereof, n.e.s.	72,568	—
Wood, cork, & manufactures thereof ..	461,100	147,426
Pulp, paper & cardboard & manufactures thereof	1,253,611	27,122
Hides and skins and leather	136,217	41,628
Manufactures of leather, not including articles of clothing	19,997	333
Furs, not made up ..	12,453	19,800
Textile materials, raw or simply prepared	408,753	960,561
Yarns and threads ..	16,989	224,472
Textile fabrics and small wares	2,582,408	3,704,104
Special and technical textile articles	77,806	34
Clothing & underwear of textile materials; hats of all materials	802,434	192,748
Footwear: boots, shoes and slippers	28,455	82,175
Made-up articles of textile materials other than clothing	7,529	700
Products for heating, lighting & power, lubricants & related products, n.e.s.	641,445	507
Non-metallic minerals, crude or simply prepared, n.e.s.	144,435	890
Pottery & other clay products	8,080	197,753
Glass and glassware	439,664	783
Manufactures of non-metallic minerals, n.e.s.	256,749	910
Precious metals and precious stones, pearls & articles made of these materials	79,331	524,242
Ores, slag, cinder ...	—	154,677
Iron and steel	1,869,653	200,000
Non-ferrous base metals	2,142	304,651
Manufactures of base metals, n.e.s.	1,369,189	247,089
Machinery, apparatus & appliances other than electrical, n.e.s.	1,518,818	—
Electrical Machinery, apparatus and appliances	967,351	40,233
Vehicles & transport equipment, n.e.s. ..	1,262,291	8,000
or simply prepared Miscellaneous crude products, n.e.s.	717,375	13,545,927
Manufactured articles, n e.s.	4,389,986	3,514,210
Total Merchandise	51,173,481	39,747,101
Gold and specie ..	—	7,840
Grand Total	51,173,481	39,754,941

INDONESIA

Articles	Imports $	Exports $
Meat & preparations thereof	—	2,760
Fishery products, for food	30,600	12,215
Manufactured products of cereals, chiefly for human food	—	745
Fruit & nuts, except oil-nuts	—	10,432
Vegetables, roots & tubers, chiefly used for human food & their preparations, n.e.s.	44,481	89,552
Sugar and sugar confectionery	—	18,222
Coffee, tea, cocoa & preparations thereof; spices	—	22,264
Beverages & vinegars	—	20,682
Feeding stuffs for animals, n.e.s.	—	150
Oil-seeds, nuts and kernels	54,600	210
Animal & vegetables oils, fats, greases & waxes & their manufactures, n.e.s.	29,728	5,107
Chemical elements & compounds; pharmaceutical products	2,011,532	357,375
Dyeing, tanning and colouring substances (not including crude materials) ..	110,470	206,678
Essential oils, perfumery, cosmetics, soaps and related products	6,702	38,794
Rubber & manufactures thereof, n.e.s.	692,800	—
Wood, cork, & manufactures thereof ..	—	7,399
Pulp, paper & cardboard & manufactures thereof	—	1,172,660
Hides and skins and leather	—	8,750

Manufactures of leather, not including articles of clothing	—	6,125
Yarns and threads ..	—	1.627.749
Textile fabrics and small wares	—	4,271,725
Special and technical textile articles	—	500
Clothing and underwear of textile materials hats of materials	—	2,550,374
Footwear: boots, shoes and slippers	—	5,695
Made-up articles of textile materials other than clothing	—	336,467
Products for heating lighting & power, lubricants & related products, n.e.s.	6,559,807	91,838
Non-metallic minerals, crude or simply prepared, n.e.s. ...	—	3,916
Pottery & other clay products	—	59,523
Glass and glassware	—	271.366
Manufactures of non-metallic minerals, n.e.s.	—	237
Non-ferrous base metals	—	66,581
Manufactures of base metals, n.e.s.	—	1,413,312
Machinery, apparatus & appliances other than electrical, n.e.s.	1,500	118,392
Electrical machinery, apparatus and appliances	—	77,790
Vehicles & transport equipment, n.e.s. ..	—	37,000
Miscellaneous crude or simply prepared products, n.e.s.	1,359,731	153,228
Manufactured articles, n.e.s.	—	1,416,271
Total	10,901,951	14,482,084